



KHF NEWS

A Partnership for Better Healthcare

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Private health sector unites at the 6th EAHF Conference in Dar-es Salam, Tanzania.

Healthcare leaders emphasize on stronger Public Private Partnerships as we prepare for the 2nd Pan-African Health Business Symposium.

The 6th East African Healthcare Federation Conference and PHARMEX exhibition took place in Dar es Salaam, Tanzania, from 24th to 25th July 2017 at Hyatt Regency Hotel. The successful conference which was hosted by The Association of Private Health Facilities in Tanzania (APHFTA) and led by its CEO Dr Samuel Ogillo was well attended by renowned professionals from East Africa and beyond.



The East Africa Healthcare Federation (EAHF) 2017 Conference session.

The conference met its objective of promoting the business of health in East Africa by bringing together the Healthcare stakeholders from the East African region and beyond to actively participate in knowledge sharing, propagate new advances in the healthcare industry and enhance partnerships. This also strengthened the health agenda towards achievement of the Sustainable Development Goals in Africa, through a flourishing private health sector.

Running under the theme “Health Care Financing: For Sustainable Quality Health Care”, the conference was subdivided into the following sub themes: Access of Quality Health Care: Advances in Healthcare Technology: Equitable Healthcare Financing. Over five hundred participants attended the conference. The Guest of Honour, H.E. Dr. Jakaya Mrisho Kiewit, the former president of the Republic of Tanzania, together with Hon. Ummu Mwalimu the Minister of Health, Community Development, Gender, Elderly and Children made strong recommendations for the private sector at the opening ceremony.



Dr. Kaushik Ramaiya, Chairman of APHFTA addressing the EAHF Community

H.E. Einar Hebogard Jensen, the Ambassador of Denmark to Tanzania, Prof. Khama Rogo, Lead Health Sector Specialist at the World Bank, Dr. Amit N. Thakker Chairman of Africa Healthcare Federation (AHF), Dr Kaushik Ramaiya Chairman of the East Africa Healthcare Federation and Lilian Awinja, the Executive Director of East Africa Business Council, were among the high level officials in attendance, who also had time deliver powerful

EAHF which is formed by APHFTA-The Tanzania Private Health Sector, Kenya Healthcare Federation (KHF), Uganda Healthcare Federation (UHF), Rwanda Healthcare Federation (RHF), Burundi Healthcare Federation (In Formation), the South Sudan Private Healthcare Practitioners Association and the Healthcare Federation of Ethiopia, unifies East Africa private healthcare players, bringing together all the stakeholders at the EAHF Conference to advocate for an enabling environment to promote the health business agenda through public private partnerships.



Delegates from Kenya and Members of Kenya Healthcare Federation (KHF) pausing for a photo during the EAHF 2017 Conference in Tanzania

Since the formation of the East Africa Healthcare Federation (EAHF) in 2013, members have constructively engaged the governments towards greater regional integration. The potential of the private health sector in propelling these countries towards achieving the Sustainable Development Goals, as well as in meeting their respective national health agenda is being scaled up through various platforms with government and relevant partners.



A panel session during the EAHF 2017 Conference

50 Countries in Africa which share similar challenges such as limited resources, shortage of Human Resources for Health, Increased cost of health commodities and medicines and weak regulatory frameworks to promote innovations in health came together in October 2015 to form the Africa Healthcare Federation (AHF).

The launch was witnessed by several ministers of Health from Africa Including H.E. Dr Mustapha Siddiqi Kaloko, Commissioner of Social Services, and African Union. EAHF continues to push for exchange for best practices within the African states to enhance Public Private Partnerships. Later this year, the second Pan-African Health Business Symposium (AHBS) will be held in Senegal Dakar from 6th -7th November 2017.

The event aptly themed as “Transforming PPP for Health in Africa” has already confirmed participation of key influence of Healthcare leaders such as Dr. Tedros Adhanom Ghebreyesus -Director General, World Health Organization, Dr. Amira El Fadil - Commissioner of Social Services African Union, Dr. Awa Marie Coll Seck - Minister of Health, Senegal, Dr. David Parirenyatwa - Minister of Health Zimbabwe, Dr. Jane Ruth Aceng- Minister of Health Uganda, Dr. Bernard S. Haufiku - Minister of Health, Namibia, Dr. Cleopa Mailu - Cabinet Secretary for Health Kenya.

Initially with only three founding member states, the federation has now membership of all the Seven Eastern African countries, with the Healthcare Federation of Ethiopia joining EAHF officially in 2017.

EAHF inspired the 15 ECOWAS countries to design a similar model in order to promote better healthcare in the West African region. These 15 countries came together in July 2016 to form the West Africa Private Healthcare Federation. There is now solid evidence that it's only through Public Private Partnership that the continent of Africa and its citizens will benefit from better overall healthcare services.

The 2018 East Africa Healthcare Federation will be hosted by Healthcare Federation of Ethiopia in Addis Ababa, Ethiopia. EAHF inspired the 15 ECOWAS countries to design a similar model in order to promote better healthcare in the West African region.



This year's event will be hosted by Dr. Ardo Boubou Bâ, President of West Africa Health Federation and led by the Chairman of Africa Healthcare Federation (AHF) Dr. Amit N. Thakker.

Private Sector Contribution in the Public Private Partnerships

Public Private Partnerships (PPPs) is an increasingly popular model for implementing important public projects. PPPs combine the skills and resources of both the public and private sectors in new ways through sharing of risks and responsibilities. This enables governments to benefit from the expertise of the private sector, and allows them to focus more on policy, planning and regulation. In order to achieve a successful partnership, a careful analysis of the long-term development objectives and risk allocation is essential. In addition, the legal framework must adequately support this new models of service delivery and be able to monitor and regulate the outputs and services provided. It takes a well drafted PPP structure informed by both the laws of the country and international best practices to clearly delineate risks and responsibilities.



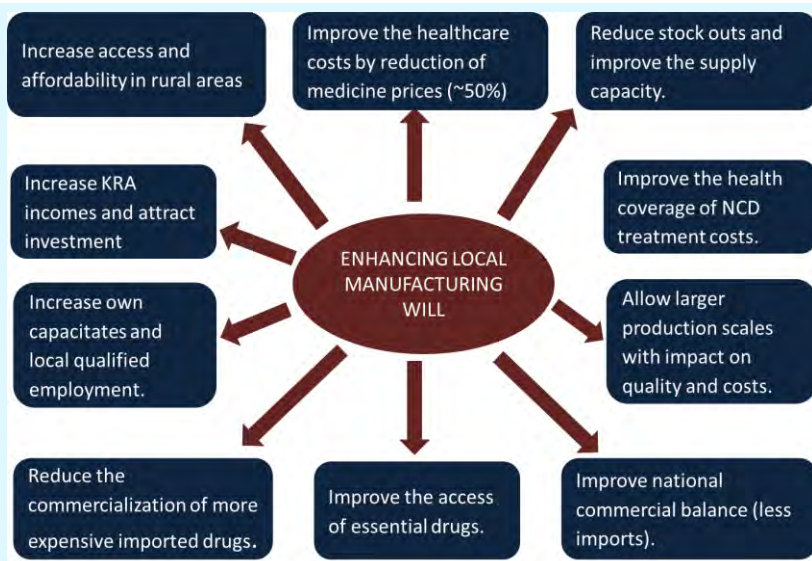
KHF Chairman Dr Amit Thakker meets PS Kenya HCM Programme team Mr. Antony Okoth, Ms. Joyce Wanderi and Ms. Ann Musuva.

With the ongoing KHF partnership with PS Kenya that aims at promoting national PPPs through identifying potential PPP areas in Health, **Healthcare Financing** and **Supply Chain** have been identified as the two priority PPP areas in health.

Supply Chain Management

“The reduction of healthcare costs through local manufacturing promotion”

Millions of Kenyan citizens still remain without access to quality-assured and affordable medicines. Even today, with increasing expansion of NHIF coverage, many people have to pay for their medicines out-of-pocket but lack the necessary financial resources to do so. With the rising burden of NCD and the reduction of donor funding's, healthcare expenditures will become more expensive for the population, public and private health insurances and the public budget.



Significant Impact of enhancing local manufacturers

There are useful lessons from other countries and regions that have put in place policies to promote the local pharmaceutical production. These countries include Ghana, Bangladesh, India, Egypt and Ethiopia. The specific measures they undertook lead them to manage successfully both, the reductions of healthcare costs and improvement of medicines quality.

At least 50% of purchases by national medicines procurement agencies is sourced from local pharmaceutical manufacturers. Prohibition for multinational firms to sell simple formulations that could easily be produced by local firms to cheaper costs.

Tax imported medicines which can be produced locally and use the tax income to finance primary healthcare. Price controls of essential drugs, import duties of finished goods and export subsidies of local manufactured goods to favor product substitution. 15% to 25% price preference to local manufacturers in public tenders (current real price preference for local producers is 5% in Kenya).



KHF Team Led by the Chairman Dr Amit Thakker meets Ministry of Health Officials Dr Peter Kimuu and Mr. Stephen Macharia ahead of the PPP retreat in Health.

Certain actions have been taken and more must be taken towards the improvement of the quality of local manufactured pharmaceuticals. Industry GMP certifications which will increase competitiveness and reputation of Kenyan manufacturers. However only few companies meet global quality standards. GMP roadmaps are under way to guide and support transition of Kenyan firms towards international GMP standards.

Achieving international GMP standards is a transition that requires time. Kenya has developed a national roadmap to improve WHO GMP compliance of local companies which will serve as guiding model for the EAC. A more favorable regulatory environment will expand operations and step up quality standards through joint venture arrangements, acquisitions and use of own funds. In Kenya, some companies have initiated joint ventures/buyouts with leading Indian and South African Manufacturers.

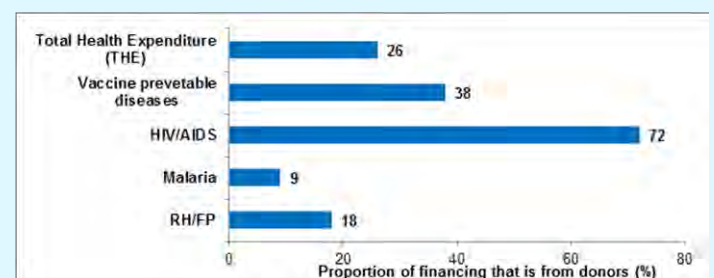
Healthcare Financing

Current Status - Achieving Universal health coverage (UHC) means that all people and communities can use the promotive, preventive, curative, rehabilitative and palliative health services they need, while also ensuring that the use of these services does not expose the user to financial hardship. The Constitution of Kenya 2010 provides the overarching legal framework for UHC. The Bill of Rights (BoR) “gives all persons the right to the highest attainable standard of health, which includes the right to health care services, including reproductive health”. Healthcare is financed by the Government, donors and the private sector and channeled through several payment pools and pathways.

Kenya’s health expenditure is in line with what might be expected for its income level and can be compared with other lower middle income countries. Total health expenditure (THE) per capita in Kenya has increased consistently from 44.6 USD in 2011/2012 to 66.6USD in 2012/2013 respectively but a significant share of THE is borne by the private sector largely through out-of-pocket (OOP) payments made by households. Kenya has therefore recorded sustained economic growth over the past decade and was classified as a lower middle-income country in 2014.

With this classification, Kenya is progressively becoming ineligible for international support towards several of its health programs. This has created the need for increased private sector role to fill existing and emerging gaps in healthcare financing in Kenya.

Challengers



Proportion of financing from donors (%)

Data source: National Health Accounts 2012/13

Kenya is however faced with the challenge of its growing ineligibility for international financing portends resulting to significant financial implications on the country, considering that a significant proportion of financing for health and for priority programs in Kenya currently comes from donors.

From a health financing perspective, Kenya suffers from a relatively low quantum of overall government spending in health. The relatively low quantum of government spending in healthcare is a bottleneck to the attainment of UHC.

3.5% = Kenya Government's allocation towards health as a percentage of GDP

5% = Government allocation towards health as a percentage of GDP in countries that have progressed towards UHC

Data source: WHO, Chatham House. Shared Responsibilities for Health A Coherent Global Framework for Health Financing. 2014.

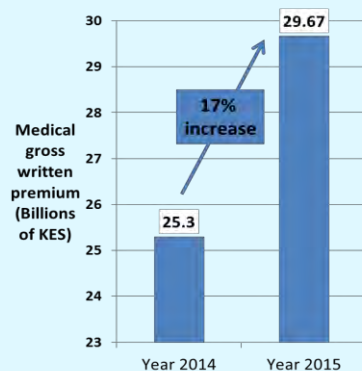
Another major challenge is that Kenya is a net importer (rather than exporter) of medical tourism business.

10,000 = Number of Kenyans who travel abroad for healthcare services

10 Billion = Amount of money spent in out-bound medical travel

Data source: MoH

While private health insurance companies can play a key role driving UHC from a health financing perspective, the medical insurance business is not profitable due (in part) to high administrative and claims costs driven by stand-alone providers.



0.31
Billion KES
Underwriting loss in 2015

60%
(11 out of 19)
Number of medical insurance companies that are members of AKI that recorded underwriting losses in 2015

Data source: Association of Kenya Insurers (AKI) 2015 Report

Community Health (CH) which is a driver of UHC, is one of the best buys in healthcare and investing in CH results in positive returns that can be as high as 10:1. Community health in Kenya is challenged by unstable remuneration of CHWs and high attrition rates of CHWs. There is need to leverage on PPPs to have private sector providers offer community health services.

Potential Role of Public Private Partnerships (PPP) in Healthcare Financing

Public Private Partnerships in healthcare financing will not only increase coverage but reduce Out of Pocket (OOP) expenditure on healthcare as well as support Government to increase government expenditure in health. This will eventually boost the service provision. PPP in Healthcare financing will therefore play three significant roles:

Revenue Generation – The Private sector players can generate revenue for healthcare via taxes, levies on mobile phone, mobile money and railway levy. Aggregate CSR/ philanthropy work via pools and mechanisms that drive key UHC indicators. Revenue generation will increase fiscal space for health in Kenya and help the country against effects of declining international (donor) financing.

Pooling - Private sector insurance and micro-insurance players can leverage on their marketing and advocacy strength to drive enrollment of Kenyans onto NHIF in exchange for opportunities to tap into NHIF's large risk pool to develop products that offer additional benefits. Increased risk pool will improve loss-ratios.

Purchasing - Private sector players (e.g. providers of quality assurance and monitoring services) should support NHIF to strengthen its strategic purchasing role by improving contracting, monitoring, and payment/ reimbursement processes. This will lead to increased strategic purchasing capacity thus improving quality of healthcare service delivery. Strong PPPs will also lead to increase in coverage where insured poor have greater access, less co-payment and better outcomes than the un-insured poor. This will eventually lead to increased demand for healthcare thus drive private sector's contribution to service coverage.

This will improve access to health (key indicator of UHC) and minimize risk of higher costs incurred at higher levels of the healthcare service delivery scale i.e. increase value of investments in healthcare. Coverage can be increased by using funds to cover many people through preventive care at community level rather than few people through expensive curative care at high level facilities

Conclusion

Kenya Healthcare Federation (KHF) though KEPSA has continuously engaged the Government of Kenya and government agencies on issues relating to health policy, taxes, regulations and pricing. The Federation has a long standing network and established relationship with the Ministry through the Ministerial Stakeholders Forum (MSF) as a key Public Private Dialogue Platform.

The Kenya Vision 2030 and its medium term plans have also put forward a robust vision and framework for the private sector participation in the economy. This has enhanced the achievement of the country's Social Development Goals (SDG). The presence of a strong private sector has been leveraged officially through the Public Private Dialogue (PPD) process and has brought for the productive results in economic development targeting all sectors.

Arising from the above and recognizing the principal role of the government and non- state actors, the Ministry of Health and KHF are working round the clock to strengthen PPPs engagements and create positive impact on the health systems. This is in the long run aimed at accelerating movement towards Universal Health Coverage through PPPs.

PSHP Kenya Convenes a Workshop to Draft a Partnership Master Plan

The Private Sector Health Partnership (PSHP Kenya) partners convened a workshop on the 22nd August 2017 to draft a partnership master plan. The master plan which is soon to be launched will provide a blue print to the partnership to illuminate ongoing activities, emerging gaps, challenges and roles that could be occupied by the private sector in achieving national as well as county health objectives. It proposes a multi-year collective masterplan laying out clear programmatic strategies, modalities for collaboration and financing for successful implementation of the strategies, an action plan, M&E framework and budget.



PSHP Kenya Partners during the workshop.

PSHP was established on September 26th 2015 at the launch of the updated Global Strategy for Women's Children's and Adolescent's Health in New York. Through this joint-Every Women Every Child -commitment, Safaricom, Huawei, Philips, MSD and GSK pledged support to complement on-going efforts of UNFPA to significantly improve maternal health in the 6 counties (Migori, Mandera, Marsabit, Wajir, Isiolo, Lamu) of Kenya accounting for close to 50% of all maternal deaths, and improve the health and well-being of over 3.5 million people in these counties by 2020. UNFPA and Kenya Healthcare Federation (KHF) have been mandated to convene and coordinate partners in meeting their commitment and established a secretariat and website for the Partnership.



PSHP Partners during the whole day workshop

This ground-breaking initiative will harness the strength, resources and expertise of the private sector, in alignment with the Global Financing Facility and close collaboration with the Government of Kenya, the County Governments of the 6 Counties, the First Lady's Beyond Zero Campaign, World Economic Forum, and other partners. Through its collective action partners will help build models that offer the best of both public and private sector, with the potential for scaling-up the delivery of healthcare for vulnerable and poor populations in low-resource settings, not only in Kenya, but all over the world.

PSHP Kenya is planning to bring more companies onboard to achieve the shared vision of lifting the burden of preventable maternal deaths and improving health and well-being with the communities within the 6 counties. Companies will be enrolled based on their commitment to support the partnership in achieving its goal and objectives, abide to the partnership guiding principles, and their respective value-add to the implementation of PSHP Kenya joint-activities.

Justification for the Master Plan

In line with its EWEC commitment and consolidating and building on progress made so far, PSHP Kenya wishes to develop a multi-year collective masterplan laying out clear programmatic strategies, modalities for collaboration and financing for successful implementation of the strategies, an action plan, M&E framework and budget.

The masterplan will identify the scope of interventions necessary to be undertaken to extend healthcare access, quality and data, evaluate the delivery mechanisms deployed and assess emerging challenges and lessons learnt. The masterplan interventions will be informed by county needs and priorities and be spearheaded by the steering committee at KHF secretariat.

Although Kenya has made good progress over recent decades in reducing the number of child deaths, too many mothers and children continue to die each year despite the availability of feasible, cost effective and evidence based solutions that could be scaled up.

For an effective delivery of healthcare interventions in the six most affected counties, PSHP Kenya answers the questions about how to create value for the healthcare delivery system and its stakeholders. In this regard, this masterplan will outline the fundamental collaboration framework upon which the service delivery models and strategies shall be laid.

Africa Health Business Symposium (AHBS II): Taking Place from 6th – 7th November, King Fahd Palace Hotel, Dakar Senegal

Business spending across the African continent is expected to grow from USD 2.6 trillion in 2015 to USD 3.5 trillion by 2025. This trend is driving greater demand for quality, affordable healthcare services from the low and middle income households comprising 70% of Africa's purchasing power. Recognizing collaboration as critical to meeting this demand, the private healthcare sector, governments, and development agencies are increasingly invested in public-private partnerships to strengthen health systems and improve health outcomes



AHBS 2016 Opening Ceremony [LR]:Dr Amit Thakker, Hon. Dr Bernard Haufiku, H.E. Dr. Mustapha Sidiki Kaloko, Hon. Dr. Jane Ruth Aceng, Hon. Dr. Cleopa Mailu, Hon. Dr. David Parirenyatwa, and Kartik Jayaram

Hosted by Africa Health Business Ltd. (AHBL), the Alliance du Secteur Privé de la Santé - Senegal, and the Ministry of Health – Senegal, AHBS II offers a platform to connect with thought leaders from the public and private sectors, NGOs, academia, and development agencies to share lessons learned and catalyze collaborative action to strengthen PPPs focused on 5 key game changers for health in Africa.

KHF Members will be entitled to a 10% discount on sponsorship, exhibition packages and on the delegate registration fees. To access the discount on the online registration, please use the discount code: KHF10 on checkout through the online payment gateway.

AHBS has also negotiated discounted flights rates:

Kenya Airways has offered a 15% discount on Business Class and Economy Class tickets for this event. One however needs a letter from the federation when making reservations to benefit from these discounts.

Ethiopian Airlines has offered a 15% discount on Business Class and 10% on Business Class tickets for this event. For this discounts use the code AHB17 on the Ethiopian Airlines website. Interested parties can also check the AHBS website for various discounted accommodation option.