

SOCIAL HEALTH INSURANCE ACT 2023 & SOCIAL HEALTH INSURANCE REGULATIONS 2024 FREQUENTLY ASKED QUESTIONS

Important areas to understand:

- A. Understanding Social Health Authority (SHA).
- B. Institutions created by the Universal Health Coverage laws and transition process.
- C. NHIF staff considerations during the transition process.
- D. Primary Health Care & the PHC fund.
- E. Emergency, chronic and critical illness fund.
- F. Registration, means testing & contributions.
- G. Benefits, tariffs & claims management.
- H. Access & quality of service provision.



A. Understanding Social Health Authority (SHA).

Question

Answer

Q1.

Why was the shift to Universal Health Coverage necessary?

To ensure that all Kenyans have access to quality, affordable and comprehensive quality health services from health promotion to prevention, curative, rehabilitation, and palliative care without suffering financial hardship.

Q2.

What is Social Health Insurance (SHI)?

It is a form of health financing mechanism based on risk and resource pooling to increase efficiency of the healthcare system that ensures that people pay for premiums into a pooled fund that can be used for those who need the services at no cost when they need the services.

Q3.

What are the Principles of Social Health Insurance?

- Accessible, quality, affordable healthcare services for all
- Well-defined benefit package anchored in law
- Mandatory registration and contribution
- Equity

Q4.

Why is Social Health Insurance important?

- An efficient way of managing health funds – able to set and monitor administrative costs
- An equitable way of managing health funds – funding based on need
- Direct contributions from beneficiaries improves participation and transparency
- Constitutional provisions exist allowing for targeting of funds for specific priorities/ geographical area



Healthcare worker attending to clients at Wunyanyi sub-county hospital, Taita Taveta County
IMAGE: USAID HERO

B. Institutions created by the Universal Health Coverage laws and transition process.

Question

Answer

Q5.

What are the 4 Health Laws?

1. The Social Health Insurance Law (2023) – Creating institutions and legislating the procedures for driving social health insurance in Kenya.
2. The Digital Health Act (2023) – Creating the enabling environment for development of digital platform for integrating health system needs and database for the citizens for purposes of health care access.
3. Facility Improvement Financing Law (2023) – specifically developed for public health facilities to ensure they are well financed to offer health services to Kenyans, and are well positioned to compete with private health care facilities.
4. Primary Care Networks Law (2023) – To create the necessary legislation for development of collaborative mechanism for related health care providers in the sub-county level, ensuring collaboration for service delivery and referral mechanisms.

Q6.

What informs the proposed reforms towards the SHI? (Why was the transition to SHA necessary instead of revamping NHIF?)

- The ultimate goal of a social health insurance system is to provide equitable and affordable access to healthcare services for all members of a society.
- To increase health insurance coverage.
- Existence of fragmented pools targeting different populations creates inefficiencies which result in increased cost of health services. SHI proposes 3 consolidated pools to address the inefficiencies.
- High number of Kenyans being subjected to financial constraints due to catastrophic illnesses.
- Promote equity and fairness in contribution, through households and not individuals.

Q7.

What is the difference between SHA and SHIF?

SHA is the manager of the 3 Funds: PHCF, SHIF, and ECCF. The 3 funds have different mandates and their monies have different sources. The registration of members is done by SHA.

Q8.

What is the transition process from NHIF to SHA?

Transition clause 2 (1) provides for the transfer of rights, powers, liabilities and duties to be taken over by SHA after the effective date of the Act i.e. 22nd November 2023

Q9.

How will the transition process from NHIF to SHA be done?

The Transition Committee, created in February 2024 will work for 6 months and the two boards (NHIF and SHA) in consultation with the Ministry of Health ensure the transition process is completed within the 12 months provided for in the law.

The Committee will develop legal and institutional framework; guidelines and operational mechanism in regard to assets and liabilities, human resources and pensions and other staff benefits; and develop a clear roadmap for the winding up of NHIF by July 2024.

Question

Answer

Q10.

Are the three bodies under SHA Independent (with own structures)?

There will only be one authority to manage three funds under i.e. The Primary Care Fund, The Social Health Insurance Fund and the Emergency, Chronic and Critical Illness Fund.

Q11.

Will the current running contracts with suppliers and health care providers be affected by the transition process?

The contracts and other legal obligations of NHIF have been taken over by SHA. The transition committee will work on seamless transition of the contractual obligations to ensure uninterrupted service delivery.

Q12.

Are NHIF assets and liabilities automatically SHA's?

Yes, Section 2(1) of the transition provisions allows the assets and liabilities to be automatically transferred to SHA.

Q13.

How will the transition process ensure continuity of services to Kenyans

The SHI Regulations provide that all paid up members and running contracts with NHIF will run until June 30th 2024 and the SHA will take over with the new rates and benefits at 1st July 2024 hence no services will be disrupted.

Q14.

What happens to contributions paid in advance by Self Employed persons if the means testing determine their rates to be lower or higher than ksh 500?

The SHA will inform the beneficiary of the difference between what is paid and the difference which is supposed to be topped up for the year if less than the required premium, or roll over to the subsequent year if in surplus.

Q15.

How will the healthcare contracts be seamlessly transitioned in view of the new benefit package?

New contracts under SHA will be issued to empaneled health care providers under section 33(3) of the SHI Law 2023.

Q16.

Will we remain our Regional/branch Network?

Branch and Regional Network will be determined by the requirements of the SHI under the SHA Act 2023.

Q17.

Will there be rebranding of the new entities once they come on board?

The Boards of each entity established under the UHC Laws will develop their own distinct brands according to needs.

Q18.

What happens to the ICT infrastructure??

The current infrastructure automatically changes ownership to the SHA Board, and retention of the same will be on needs basis. For retiring infrastructure, Public Procurement and Assets Disposal Act provisions will be used for disposing them off.

C. NHIF staff considerations during the transition process

Question

Answer

Q19.

How will staff be affected by the transition process?

SHA will recruit their own staff in line with the approved organizational establishment. 6(3) allows NHIF qualified staff to apply for declared vacancies. 6 (4) will have staff undergo a process to gauge their suitability and thereby transition to SHA on a priority basis. 5(a)(b) allows staff to retire or be redeployed elsewhere in the public services respectively.

Q20.

What happens to staff who will not be absorbed by the SHA?

The law and ILO procedures allow that no current employees of NHIF will be disadvantaged during the transition process. Hence those who will not be absorbed by the SHA will either transit to the public service or retire willingly.

Q21.

In the event that SHA remuneration package is lower than that of NHIF, how will this impact the transitioned staff?

The employment and labour laws are very clear on this. The salary of the employees under SHA will be binding as it is a newly established legal entity.

Q22.

What becomes of the staff pension contributions for staff who transition to SHA and those who are deployed to other Public Service sectors?

Matters of pension are highly regulated under Retirement Benefits Authority (RBA) and continuity on scheme contributions and benefits will not be lost by NHIF staff during transition.

Q23.

Will the union be fully involved in the transition process?

Unions will be involved during transition by both the Transition Committee and NHIF and SHA boards. Non-unionized officers of NHIF will also be represented and their concerns taken care of.

Q24.

Will there be forced exits?

Under the SHI Act, there is no provision for forced retirement.





Mothers attending MNCH clinic at a PHC facility
IMAGE: USAID HERO

D. Primary Health Care & the PHC fund.

Question	Answer
Q25. What is Primary Health Care?	It is essential health care based on practical, scientifically sound and socially acceptable methods and technology that is made universally accessible to individuals and families in the community
Q26. What is Primary Health Care Fund?	The fund shall be used to purchase primary healthcare services from health facilities.
Q27. Who is eligible to access the Primary Healthcare Fund?	All persons residing in Kenya.
Q28. How will I register for the Primary Healthcare Fund?	Registration for Social Health Insurance will be an automatic registration for the Primary Healthcare Fund.
Q29. Will I have to contribute to the Primary Healthcare Fund? What other sources of funds are there?	No, there will be no individual contributions to the Primary Healthcare Fund. The main source of funding will be allocation from the government and grants.
Q30. When will I use the Primary Healthcare Fund?	When visiting level 2,3 facilities or upon referral by community health promoters, where patients will be treated for free.
Q31. What is the maximum amount the Primary Healthcare Fund can cover?	The expenditure incurred on the fund shall be limited to annual budget estimates prepared by the authority at the beginning of the financial year to which they relate.

E. Emergency, chronic and critical illness fund.

Question

Answer

Q32.

What is the Emergency, Chronic and Critical Illness Fund?

This is a fund established to provide money to pay the costs of management of chronic illnesses after depletion of the SHI over and to cover the costs of emergency treatment.

Q33.

Who will be eligible to register to the Emergency, Chronic and Critical Illness Fund?

An individual registered to the Social Health Authority will be able to access medical services under the Emergency, Chronic and Critical Illness Fund.

Q34.

When will I start benefiting from the Emergency, Chronic And Critical Illness Fund?

Upon lapsing of an individual's benefit limits under the Social Health Insurance Fund.

Q35.

How will my benefit package look like in the Emergency, Chronic And Critical Illness Fund?

The healthcare services specified in the essential benefits package provided in the fourth schedule of the SHI Regulations 2024.

Q36.

Which institution will be responsible for management of the Emergency, Chronic And Critical Illness Fund?

The Social Health Authority has been established for the management of Social Health Insurance in Kenya. The expenditure incurred on the Fund shall be limited to annual budget estimates prepared by the Authority at the beginning of the financial year to which they relate.

F. Registration, means testing & contributions.

Question

Answer

Q37.

Who will be eligible to register for SHA?

Every Kenyan as well as non-Kenyans residing in Kenya is eligible and will be required to register.

Q38.

Do I need to register afresh as an SHA member if I was already an NHIF member?

Yes.

Q39.

Will there be any costs associated with registering afresh?

None.

Q40.

Can individuals choose not to be part of social health insurance?

No. It is a mandatory requirement.

Q41.

Will NHIF members automatically transition to be SHA members? What of the payments that were already paid by members?

NHIF members will have to register afresh with SHA. Regarding already paid contributions, the Transition Committee will provide the detailed guidelines but it is expected that there shall not be any problem between the transitions of current contributions to the new means testing-generated contribution rates.

Question

Answer

Q42.

How will I register for SHI?

The application shall be made by filling SHA form and shall be accompanied by—
(a) a copy of the national identification document of the applicant;
or
(b) in the case of a person without a national identification document, any other document as may be approved by the authority

Q43.

How do I add dependents, and are there limits on the number of children?

Dependents will be declared during registration and those born after registered within 14 days after birth. There will be no limits to the number of children under a contributor.

Q44.

Does it cover more than one wife?

Yes, the SHI Act provides for more than one spouse provided that the total income of all spouses and members is captured for purposes of premium determination.

Q45.

If registration is per household, does it mean only one spouse contributes?

The decision of the person within the household to contribute premiums will be decided by the household members for the case of non-salaried members, and will be deducted from each salaried member if under salaried employment.

Q46.

What happens to the dependents if a member passes on?

The member is required to notify the Social Health Authority in case of a demise of a dependent or contributor's demise accompanied by the death notification documents.

Q47.

What happens to the current biometric that are captured

All members will be required to register and get their biometrics taken afresh when the SHI kicks in.

Q48.

Who will be the contributors to Social Health Authority

Every Kenyan household, a non-Kenyan resident, ordinarily residing in Kenya for a period exceeding 12 months, the national government, county governments and any other employer/donor can contribute to the SHA.

Q49.

How will I contribute to SHA?

In the case of a household whose income is derived from salaried employment, by a monthly statutory deduction from the wages or salary by the employer.
In the case of a household whose income is derived from informal employment, an annual advance contribution will be made to the SHA

Q50.

How much will I contribute to SHA?

The rate of contributions is 2.75% of individual and household income.

Q51.

Concerning the 2.75%, what happens when the two heads of a household have separate incomes?

The combined income for multiple members of a household will be subjected to the 2.75% contribution based on the combined income.

Q52.

If both spouses are employed, are both required to make monthly contributions

Yes.

Question

Answer

Q53.

Who is required to pay the minimum contribution of Kes300 per month?

Those whom the means testing tool determine to fall in or below contributions of Ksh 300 will contribute the base premium of Ksh 300. The government will contribute for those who apply for subsidy if falling below this threshold.

Q54.

Is there an option for capping the deductions?

Deductions are not capped.

Q55.

How will the determination of income for the informal sector be done?

Means Testing will be used to determine proxy income based on expenditure patterns.

Q56.

Should members wait until means testing is conducted to make contributions?

For salaried employees, contributions will be based on their salaried income. However, for non-salaried income earners, contributions will only be determined using the means testing hence payment will be after means testing.

Q57.

If someone transitions or there is a change of income, who is responsible for determining the contribution? what is the reporting mechanism?

The contributor will be required to notify the Social Health Authority on any change in income and they will be informed of the new contribution rates by the authority.

Q58.

Are Kenyans contributing to all three Funds, and how do these contributions work?

No. The Primary Healthcare Fund and the Emergency Chronic and Critical Illness Fund will be publicly funded through government budget allocations and available to registered SHA members, while direct contributions will be made to the Social Health Insurance Fund

Q59.

How many times will I contribute to SHI?

For salaried/payroll employment household, monthly contributions; For non-payroll households whose income is not derived from salary, by an annual contribution as determined by the means testing instrument.

Q60.

Will services be accessible if I lose employment? (Formal vs Informal)

No, as long as the authority is notified and new contribution arrangements agreed and honored by the contributors.

Q61.

Is insurance premium financing available for those who cannot afford consistent payments?

Premium financing will be available for those who want to access it in the non-salaried segment. For affordability, the Authority will determine and attach only premiums which the contributor can afford.

Q62.

Can cooperative societies join SHA as groups and make base minimum contributions?

Yes, this is possible.

Q63.

What if I am unable to pay/contribute to SHI?

In the case of households in need of financial assistance as determined by the means testing instrument, the government will subsidize at a rate apportioned from funds appropriated by Parliament and County Assemblies for that purpose.

Question

Answer

Q64.

Which facilities will be contracted and empaneled by SHA

A health care provider or a health facility seeking to be contracted under the Social Health Insurance Fund shall make an application to the body responsible for accreditation for quality assurance in the manner prescribed by the regulations.

Q65.

How will I know which facilities or providers around a given area of residence will be covered by SHA

The authority shall, publish on its website and in such other manner as the Authority may deem appropriate, declare the health service providers and healthcare facilities to be contracted for.

Q66.

What happens to my current contributions to NHIF?

All contributions made will be transferred to the Social Health Authority.

Q67.

Can I choose my healthcare providers and facilities under SHA

Yes.

Q68.

How will SHA benefit low-income and vulnerable populations and PLWD

In the case of households in need of financial assistance as determined by the means testing instrument, by the government at a rate apportioned from funds appropriated by Parliament and County Assemblies.

Q69.

Are there penalties for defaulters and /or late payment?

Any person who fails to pay any contribution in respect of any period on or before the day on which payment is due shall be liable to a penalty equal to two percent (2%) of the amount due of the contribution for the period in which the contribution remains unpaid and the total annual contributions.

Q70

How do I pay penalties?

The SHA board will provide guidance on how members will pay penalties.

Q71.

Can I get refunded if I do not utilize my contribution

No. Premiums from all contributors will be pooled and utilized to pay health services for those who are in need of them.

Q72.

Can I take a private health insurance cover?

Yes, a beneficiary of the fund can still register for private insurance as complementary to the Social Health Insurance.



A child getting health services.
IMAGE: USAID HERO

G. Benefits, tariffs & claims management.

	Question	Answer
Q73.	For civil servants including HCWs, what will happen to their enhanced scheme?	All Kenyans will be entitled to the same benefit package irrespective of their place and nature of work. Payments will be pegged on income hence transitioning from wage employment to pension will pay the prescribed rate for the same benefit package.
Q74.	Are civil servants cushioned to seek services from private facilities.	SHA benefits can be accessed in all types of facilities; Public, private, and FBO. Enhanced covers can be provided by the employer on top of the SHA benefits.
Q75.	What will happen to the school children who were covered under Edu Afya	The children will be covered under SHA as beneficiaries of their households.
Q76.	What is the package for those who opt to retire/exit public service?	All Kenyans will be entitled to the same benefit package irrespective of their place and nature of work. Payments will be pegged on income hence transitioning from wage employment to pension will pay the prescribed rate for the same benefit package.
Q77.	Will SHA cover travel health insurance?	No.
Q78.	When will I use my Social Health Insurance Fund?	When referred to a level 4, 5 or 6 facility or an empaneled healthcare provider
Q79.	How will my benefit package look like in SHA?	A schedule of benefits attributable to each member of the SHA will be published and made available to each member as provided for in the SHI Act.
Q80.	How do the SHA benefits compare with the NHIF benefits	SHA benefits are more enhanced, explicit and expansive compared to the previous NHIF benefits.
Q81.	How can additional services be added to the Essential Benefits Package?	The SHI Act Regulations provides for a form for interested parties to make an appeal to the Benefits and Tariffs Authority to be considered for inclusion or exclusion.
Q82.	What's happens to retired civil servants under SHA	Like other Kenyans, they will be new retiree will need to notify SHA of the change in income and hence will be informed of the new premiums and modalities of paying for them.
Q83.	How does the Essential Benefits Package impact premiums?	Change in the benefit package will automatically have impact on the amount of funds required to fund the new package, and hence the premiums attributable to each household will change accordingly.
Q84.	How does one get to know what tariffs are in use	Tariffs are published in the Regulations Schedule.

H. Access & quality of service provision.

	Question	Answer
Q85.	Which facilities will one access the SHA services? (Where do I access services?)	Health Providers contracted by SHA.
Q86.	Is there a waiting period to access services?	No waiting period.
Q87.	Can one receive PHC services in referral hospitals?	No, only facilities contracted to offer PHC services will offer such services, basically in the category of Levels 2,3 and 4.
Q88.	What happens when one falls sick when far from the selected facility?	Levels 2-3 services will be sought within the assigned Network (PCN), and there will be mechanisms for one PCN to reimburse for a member who accesses services in another PCN not assigned to, but within limits of the member's PCN. Levels 4-6 will be accessed through a robust referral system from one level to another.
Q89.	There is a need for measures to enhance the quality of care. Including the role of counties in preventive services	The Quality-of-Care Bill is underway to optimize service delivery and assure quality of health services.
Q90.	Where should providers claim payment of pending bills	SHA has absorbed all NHIF liabilities, therefore providers should
Q91.	What will be the role of SHA in ensuring commodities are available in healthcare facilities?	SHA will reimburse health care providers based on the service provided including medicines and procedures, and the service providers have a responsibility of ensuring they have capacity to offer the same.

I. Feedback and dispute resolution.

	Question	Answer
Q92.	How can individuals in Kenya file complaints or seek assistance under Social Health Authority?	The Social Health Authority will develop a complaint resolution mechanism in line with guidelines of the Mwongozo code of governance for state corporations.
Q93.	Which takes precedence between procurement tribunal and SHA tribunal in procurement disputes when contracting and empanelment?	The Public Procurement Tribunal as provisioned takes precedence for all public procurements as defined in the Public Procurement and Assets Disposal Act.

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MINISTRY OF HEALTH



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