

(Kisumu County Legislative Supplement No. 5)

LEGAL NOTICE NO. 6

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

THE KISUMU COUNTY HEALTH ACT, 2019

(No. 5 of 2019)

THE KISUMU COUNTY SOCIAL HEALTH INSURANCE FUND REGULATIONS,
2020

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

- 1—Citation.
- 2—Interpretation.
- 3— Object and purpose of regulations.

PART II—ESTABLISHMENT OF THE FUND

- 4—Establishment of the Kisumu County Social Health Insurance Fund.
- 5—Sources of the Fund.
- 6—Expenditure of the Fund.

PART III—MANAGEMENT OF THE FUND

- 7—Committee of the Fund.
- 8—Functions of the Committee.
- 9—Administrator of the Fund.
- 10 —Functions of the Fund Administrator

PART IV—FINANCIAL PROVISIONS OF THE FUND

- 11—Bank Accounts of the Fund.
- 12—Financial reporting procedures.
- 13—Allowances.
- 14—Audit.

PART V—GENERAL PROVISIONS

- 15—Lapse of the Fund.
- 16—Winding up of the Fund.
- 17—Guidelines.
- 18—Amendments.

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

THE KISUMU COUNTY HEALTH ACT, 2019

(No. 5 of 2019)

IN EXERCISE of the powers conferred by Section 116(5) of the Public Finance Management Act, 2012 and sections 17, 18, 20 and 34 of the Kisumu County Health Act 2019, the County Executive Committee Member for Finance and Economic Planning makes the following Regulations—

THE KISUMU COUNTY SOCIAL HEALTH INSURANCE FUND REGULATIONS,
2020

PART I—PRELIMINARY

Citation

1. These Regulations may be cited as the Kisumu County Social Health Insurance Fund Regulations, 2020.

Interpretation

2. In these Regulations, unless the context otherwise requires—

“Act” means the Kisumu County Health Act, 2019;

“accounting officer” in relation to the fund means a person appointed by the County Executive Committee Member for Finance for any service in respect of which moneys have been appropriated by the County Assembly or any person to whom issues are made from the County Revenue Fund account;

“administrator” in relation to the fund means a person designated by the County Executive Committee Member for Finance to administer the fund;

“committee” means the Social Health Insurance Fund Committee established under Regulation 7 of these Regulations;

“household” shall include the principal member, spouse and children or in cases where there are orphaned and/or vulnerable children, the principal member shall be the care giver and the children shall be declared as the dependants;

“Indigents” in relation to the fund means any persons who cannot afford health insurance;

“Indigents Health Insurance Fund (IHF)” means the funds in the ring-fenced account for the Indigent Health Insurance Scheme, managed by the Kisumu Social Health Insurance Fund Management and Oversight Committee;

“Indigents Health Insurance Scheme (IHIS)” or means the scheme which organizes the access of indigents to health services

“indigent population” means indigent groups within society selected during the UHC registration or using a county designated socio-economic mapping tool;

“insurance premium” means the fixed amount of money paid quarterly to NHIF to provide medical cover based on the national scheme to members of IHIS within Kisumu County;

“NHIF” means the National Hospital Insurance Fund established under Section 3 of Act No. 9 of 1998;

“Scheme Management Fees” means a fixed fee to be paid to the supporting agency to support the management of the scheme;

“Technology Service Fees” means a fixed fee paid to the supporting agency for the deployment and operation of the IHIS digital platform;

“Universal Health Coverage (UHC)” in relation to health services, means ensuring that all people have access to needed health services (including prevention, promotion, treatment, rehabilitation and palliation) of sufficient quality to be effective while also ensuring that the use of these services does not expose the user the financial hardship; and

“visit fees” means a fee paid to an IHIS participating healthcare facility derived from the capitation money allocated to the individual, and is based on the number of members that access care at that particular facility.

Object and Purpose

3. The objects and purpose of these regulations are to—
 - (a) fund and provide Health Insurance Cover to the indigent population within Kisumu County;
 - (b) establish a centralized fund into which all revenues collected pursuant to these regulations shall be paid and administered; and
 - (c) provide for the oversight and administration of the fund.

PART II—ESTABLISHMENT OF THE FUND

Establishment of the Fund

4. (1) There is established a Fund to be known as the Kisumu County Social Health Insurance Fund based on the Kisumu County Health Act, 2019 which is a creation of the indigent health insurance scheme.

(2) Notwithstanding the generality of sub-regulation (1) the purpose of the Fund shall include the following I—

- (a) ensuring seamless transfer of funds from the Kisumu County Social Health Insurance Fund to National Hospital Insurance Fund for purposes of providing a medical insurance cover for the indigent population in Kisumu County;
- (b) ensuring seamless payment of capitation, visit fees and reimbursements to the county participating healthcare facilities and payment of services to any appointed supplementary healthcare service provider from the NHIF pool; and
- (c) ensuring seamless payment of specified operation costs including any refunds that are necessary to ensure provision of quality healthcare services to the targeted indigent population in Kisumu County.

Sources of the Fund.

5. The Fund shall consist of—
 - (a) monies appropriated by the County Assembly for purposes of the fund;

- (b) monies received from the National Hospital Insurance Fund (NHIF) in capitation and reimbursements;
- (c) grants, loans, donations, subscriptions, bequests or other gifts made to the Fund; and
- (d) monies from any other source approved by the County Executive Committee Member Finance and Economic Planning.

Expenditure of the Fund

6. There shall be paid out of the fund payments in respect of any expenses incurred in pursuance of the objects and purpose for which the Fund is established.

PART III—MANAGEMENT OF THE FUND*Committee of the Fund*

7. (1) There is hereby established a Committee to be known as Kisumu County Social Health Insurance Fund Committee which shall comprise of-

- (a) chairperson appointed by the Governor;
- (b) County Executive Committee Member for Health;
- (c) County Executive Committee Member for Finance;
- (d) the Chief Officer of health and sanitation;
- (e) Director of the health department;
- (f) two representatives from the supporting agency; and
- (g) the fund administrator who shall be the secretary to the committee.

Functions of the Committee

8. The functions of the Committee shall be—

- (a) to consider and recommend the estimates of revenue and expenditure to and from the Fund to the County Executive Committee Member for Finance for approval;
- (b) to approve disbursements from the Fund account in consultation with the County Executive Committee Member for Finance for Finance;
- (c) to receive, review and approve reports on the performance of the Fund from the Fund Administrator;
- (d) to oversee the monitoring and evaluation of the programmes and activities under the Fund;
- (e) to approve the financial statements of the Fund prepared in accordance with the Act;
- (f) to consult with the CECM Finance on matters relating to the administration of the Fund; and
- (g) to perform any other functions that shall be assigned by the County Executive Committee Member for Finance for Finance.

Administrator of the Fund

9. There shall be an Administrator of the Fund appointed by County Executive Committee Member for Finance.

Functions of the Fund Administrator

10. (1) The Administrator of the fund shall exercise the following functions—
- (a) cause to be opened in the name of the Fund such bank account for the Fund in a bank approved in accordance with the Public Finance Management Act, as may be necessary for the purposes for which the Fund is established;
 - (b) ensure that no bank account of the Fund is overdrawn;
 - (c) consult with the committee and the Executive Committee Member for finance on all matters related to the administration of the Fund;
 - (d) ensure that disbursement of monies out of the Fund is done in a timely and efficient manner and in accordance with the provisions of the Act, these Regulations and the Public Finance Management Act, 2012;
 - (e) prepare, sign and submit a statement of account in respect of each financial year and within three months after the end thereof to the committee for consideration and approval;
 - (f) cause to be kept proper books of accounts and records on the operations of the fund;
 - (g) prepare estimates of annual revenue and expenditure of the Fund relating to its obligations and operational expenses and submit it to the Committee for adoption;
 - (h) prepare periodic reports on the financial and non-financial performance of the Fund and present to the Committee for adoption;
 - (i) ensure compliance with decisions and recommendations of the committee and submit periodic reports on such compliance;
 - (j) be the custodian of all assets, equipment and property of the Fund; and
 - (k) ensure that a standing order is established with the appointed bank for payments of Technology Service Fees and Scheme Management Fees.
- (2) Upon approval by the Committee, the Administrator of the Fund shall submit estimates of revenue and expenditure to the County Executive Committee Member, Finance for approval.

PART IV—FINANCIAL PROVISIONS

Bank Account of the Fund

11. (1) The Executive Committee Member in charge of the County Treasury shall issue guidelines on banking arrangements of the Fund under the provisions of the Public Finance Management Act, 2012.
- (2) The Fund administrator shall cause to be opened in the name of the Fund such bank account for the Fund in a bank approved in accordance with Section 28 of the Act, as may be necessary for the purposes for which the Fund is established.
- (3) The bank account for the Fund shall be—

- (a) managed by the Fund Administrator in consultation with the Executive Member in charge of the County Treasury;
- (b) Signatories to the account shall be—
 - (i) Chief Officer Finance;
 - (ii) Chief Officer in charge of Health; and
 - (iii) Fund Administrator.
- (4) The bank account for the Fund shall be subject to auditing under the provisions of the Public Finance Management Act, 2012.

Financial reporting procedures

12. The Fund Administrator shall, in consultation with the Executive Committee Member in charge of the County Treasury, put in place financial controls to ensure fiduciary standards are maintained in all Fund operations to achieve the desired transparency and accountability with a view to promoting regular accurate reporting of all financial transactions.

Allowances

13. The committee shall in consultation with the Executive Committee Member for Health and the Executive Committee Member in charge of the County Treasury fix allowances payable to members of the committee.

Audit

14. (1) The Fund Administrator shall cause to be kept proper books and records of account of its income, expenditure, assets and liabilities.

(2) The County Executive committee member for finance shall submit to the Auditor-General within three months after the end of each financial year, the accounts of the Fund in respect of that year together with—

- (a) a statement of the income and expenditure of the Fund during that financial year; and
- (b) a statement of the assets and liabilities of the Fund on the last day of that financial year.

(3) The annual accounts of the Fund shall be prepared, audited and reported upon in accordance with the provisions of the Constitution and the Public Finance Management Act, 2012.

PART V—MISCELLANEOUS PROVISIONS

Lapse of the Fund.

15. (1) The Governor may, in consultation with the County Executive Committee Member responsible for matters relating to health, and by Notice in the *Gazette*, declare that these households are no longer vulnerable and can therefore pay their own health insurance cover.

(2) Upon such declaration as provided for under sub-regulation (1), the Fund shall lapse.

Winding up of the Fund

16. Upon lapsing of the Fund in the manner provided for under regulation (14), the Fund shall be wound up in accordance with the provisions of the Act and Regulations made thereunder.

Guidelines

17. The Executive Committee Member in-charge of the County Treasury shall in consultation with the Executive Committee Member in charge of Health and the Committee develop guidelines for the proper implementation of these Regulations and management of the Fund.

Amendments

18. (1)The Committee may on its own motion or at the instance of any other interested party recommend to the Executive Committee Member in charge of the County Treasury any amendments to these regulations for consideration.

(2) The Executive Committee Member in charge of the County Treasury shall subject any recommendation from the Committee for amendments to these Regulations to public participation before giving effect thereto.

Made on the 17th November, 2020.

GEORGE OMONDI OKONG'O,
*County Executive Committee Member for
Finance and Economic Planning.*