LEGAL NOTICE NO. 4

THE PUBLIC FINANCE MANAGEMENT ACT
(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 116 of the
Public Finance Management Act, 2012, the County Executive
Committee Member for Finance makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (KITUI
COUNTY HEALTH INSURANCE COVER FUND)
REGULATIONS, 2018

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THE PUBLIC FINANCE MANAGEMENT ACT
(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (KITUI COUNTY HEALTH INSURANCE COVER FUND) REGULATIONS, 2018

1. These Regulations may be cited as the Public Finance Management (Kitui County Health Insurance Cover Fund) Regulations, 2018.

2. In these Regulations unless the context otherwise requires—

“Appliances” means any equipment used to diagnose, monitor or treat medical conditions;

“Beneficiary” means any person registered under the cover;

“Committee” means the Kitui County Health Insurance Cover Fund Management Committee established under Regulation 9 of these Regulations;

“County Assembly” means the County Assembly of Kitui as established under Article 176 of the Constitution of Kenya, 2010;

“Cover” means the Kitui County Health Insurance Cover to be provided in under these Regulations;

“Financial year” means the period of twelve months ending on the 30th June in each year;

“Fund administrator” means an officer designated in writing by the County Executive Committee Member for the time being responsible for the Finance in accordance to section 116 of the Public Finance Management Act, 2012;

“Fund” means the Kitui County Health Insurance Cover Fund established under Regulation 3 in accordance with section 116 of the Public Finance Management Act, 2012;

“Guardian” has the same meaning as provided under section 2 of the Public Health Act, 2012;

“Health care provider” has the same meaning as provided under section 2 of the Health Act, 2017;

“Health” has the same meaning as provided under section 2 of the Health Act, 2017;

“Household” means a nuclear family living together within a house;

“Orphan” means a child under 18 years of age who has lost one or both parents to any cause of death;

“Orphanage” means a residential institution devoted to the care of orphans and children whose biological parents are deceased or otherwise unable or unwilling to take care of them;
“Participating public health facilities” means all public health facilities within Kitui County that have been declared to administer health services under the Fund;

“Principal beneficiary” the eligible person who fills the prescribed registration form and includes the head of an orphanage which is registered with the relevant legally authorized body;

“Public health facilities” means all public health facilities within Kitui County;

“Public health services” has the same meaning attached to it under section 2 of the Health Act, 2017;

“Salaries and Remuneration Commission” means the commission established under Article 230 of the Constitution of Kenya, 2010;

“school” has the same meaning as assigned in section 2 of the Basic Education Act, 2013;

“spouse” means a husband or a wife and includes all definitions of a wife for the purposes of familial continuity in accordance to Akamba traditions;

established under Regulation 18 of these Regulations;

“Universal Health Coverage” means a health care system where beneficiaries can use the promotive, preventive, curative, rehabilitative and palliative health services available in public health facilities within Kitui County of sufficient quality to be effective while also ensuring that the use of these services does not expose the user to financial hardship.

3. (1) There is established a Fund to be known as the Kitui County Health Insurance Cover Fund.

(2) The Fund shall consist of—

(a) monies appropriated by the County Assembly initially at the establishment of the Fund;

(b) fees paid in by the beneficiaries;

(c) grants and donations,

(d) income generated from the proceeds of the Fund; and

(e) any other lawful sources of income.

(3) There shall be paid—

(a) into the Fund, all contributions and other payments required by these Regulations to be paid into the Fund; and

(b) out of the Fund, all benefits and other payments required by these Regulations to be paid out of the Fund.

4. (1) The objects and purpose for which the Fund is established are—
(a) to promote universal health coverage in Kitui County;
(b) to guarantee access to affordable high quality health services for beneficiaries;
(c) to mobilize financial resources from households in Kitui County for provision of subsidized health care services to the beneficiaries;
(d) to provide quality and affordable health care services through a sustainable financial mechanism;
(e) to provide beneficiaries relief from out of pocket payments for health services; and
(f) to reimburse participating public health facilities costs of health services rendered to beneficiaries.

5. The initial capital of the Fund shall be as per the funds allocated from the budget appropriated by the County Assembly.

6. In promoting Regulation 4 (1) the following services shall be covered under the Fund—

(a) all curative, preventive, promotive and rehabilitative services available within the public health facilities within the country;
(b) inpatient bills within any public health facility in the country up to twenty four hours after the date of discharge;
(c) referrals within the public health facilities in Kitui County and referrals to higher levels of public health facilities outside the county but within the country subject to approval by an authorized county health care provider;
(d) for highly specialized services, whose appliances are not routinely available in the public health facilities within the County, the fund shall only cover the cost of all hospital fees within a public health facility located in the country, but not the cost of such appliances;
(e) mortuary fees in any public health facility within the country, excluding professional fees for autopsies or postmortems for beneficiaries for up to 7 days, after which standard daily charges shall apply and be borne by the next of kin.
(f) mortuary fees including professional fees in any public health facility within the country, for autopsies or postmortems for beneficiaries who have died from maternity related complications for up to 7 days, after which standard daily charges shall apply and be borne by the next of kin.
(f) ambulance services within the county.

7. (1) The fund shall exist for a period of ten years.

(2) The lifespan of the fund may be extended beyond ten years with the Authority and concurrence of both the County Executive
Committee Member for the time being responsible for Health and Sanitation and for the time being responsible for Finance and subsequently with the approval of the County Assembly.

8. (1) The County Executive Committee member for finance may wind up the Fund with the approval of the county assembly.

(2) On the winding up of the Fund—

(a) the administrator of the fund shall pay any amount remaining in the fund into the County Exchequer Account; and

(b) the County Executive Committee member for finance shall, with the approval of the county assembly, pay any deficit in the fund from the County Exchequer Account.

9. There is established a committee to be known as the Kitui County Health Insurance Cover Fund Management Committee.

10. (1) The Committee shall consist of—

(a) the Chief Officer for Health and Sanitation or their representative;

(b) the Chief Officer for Finance or their representative;

(c) the Head of the Legal Department in the county or their representative;

(d) an officer representing the Ministry of Health and Sanitation or their representative;

(e) two representatives nominated from the residents of Kitui County and of opposite gender and appointed by the County Executive Committee Member for Health;

(f) a representative from the insurance sector with expertise in medical health insurance; and appointed by the County Executive Committee Member for Health; and

(g) two persons nominated by the Governor and appointed by the County Executive Member of Health.

(2) The Committee shall serve on a renewable term of three (3) years.

(3) The County Executive Committee Member for Health will issue guidelines on the selection procedure leading to the appointment of the persons under Regulation 10 (1) (e) and (f).

(4) Where a vacancy occurs in the membership of the Committee, the County Executive Committee Member for Health and Sanitation shall, if the vacancy relates to the members appointed under Regulation 10 (1) (e) and (f), nominate a new member in accordance with the provisions of these Regulations.

11. (1) The objects and functions of the Committee shall be—

(a) to receive all contributions and other payments required by these Regulations to be made to the Fund;
(b) to make payments out of the Fund in accordance with the provisions of these Regulations;

c) to set the criteria for the participating health facilities and to declare such facilities in accordance thereto for the purposes of these Regulations;

d) to review and propose the contributions payable to the Fund and the benefits and other payments to be made out of the Fund;

e) to protect the interests of contributors to the Fund and their beneficiaries;

f) to develop prescribed forms from time to time for effective implementation of the Fund;

g) receiving and resolving complaints and challenges regarding the Fund;

h) proposing fees and charges from time to time for new services not otherwise covered in these Regulations;

(i) to advise on the county policy to be followed with regard to county health insurance; and

(j) to perform such other functions as are conferred on it by these Regulations or by any other written law.

12. (1) The Chief Officer for Health and Sanitation shall be the Chairperson of the Committee.

(2) The Members shall elect a Vice-chairperson from amongst themselves.

(3) The Committee shall meet at least once per quarter and not more than eight times in a year.

(4) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by a member appointed by the chairperson and shall be convened at such times as may be necessary for the discharge of the Committee’s functions.

(5) The quorum for meetings of the Committee shall be five members.

13. The Committee shall be entitled to allowances as per the Salaries and Remuneration Commission.

14. (1) The County Executive Committee member for finance shall designate a person responsible for administering the fund.

(2) The Fund Administrator shall be an ex officio member of the Committee but shall have no right to vote at any meeting of the Committee.

15. The Fund Administrator shall—

(a) supervise and administer the Fund;

(b) ensure that the earnings of or accruals to the Fund are
retained in the fund unless the County Executive Committee Member for Finance directs otherwise;

c) ensure that money held in the fund, including any earnings or accruals referred to in subparagraph (b) is spent only for the purposes for which the fund is established;

d) ensure disbursement of monies out of the Fund to the participating public health facilities;

e) cause to be kept books of accounts and other books and records in relation to the Fund;

f) receive and submit reports to the Committee on a quarterly basis on the status of the Fund including any challenges faced;

g) prepare a financial statement for the Fund each financial year in a form prescribed by the Accounting Standards Board;

h) ensure that the accounts for the fund and the annual financial statements relating to those accounts comply with the accounting standards prescribed and published by the Accounting Standards Board from time to time;

(i) prepare quarterly financial statements for the Fund including its financial and non-financial performance in a form prescribed by the Accounting Standards Board;

(j) not later than three months after the end of each financial year, submit financial statements relating to the accounts under (i) above to the Auditor-General;

(k) not later than fifteen days after the end of each quarter, submit quarterly report to the County Executive Committee Member for the time being responsible for Finance and the Controller of Budget; and

(l) furnish such additional information as he or she may deem fit to be proper and sufficient for the purpose of examination and audit by the Controller of Budget and the Auditor-General.

16. The County Executive Committee Member for the time being responsible for Finance may, if s/he considers it appropriate to do so, appoint in accordance with the Public Procurement and Disposal Act, 2015, a financial institution to administer the Fund.

17. All persons resident in Kitui County shall be eligible to register as a beneficiary of the Fund.

18. (1) Eligible persons who intend to utilize the cover shall register annually through the prescribed form and pay the prescribed annual fee.

(2) The principal beneficiary shall register a household that intends to be covered.
(3) A cover taken under (2) above, shall cover the following—
   (a) spouse(s);
   (b) children under the age of 18 years;
   (c) dependants between the age of 18 and 26 years subject to provision of proof of enrollment in a school;
   (d) dependants who are persons living with disability subject to provision of proof of registration with the National Council for Persons Living with Disability or a duly filled Persons with Disability Medical Assessment Report;
   (e) children born of dependants subject to availability of proof of dependency;
   (f) orphans under the care of the principal beneficiary.

(4) Persons responsible for the management of registered orphanages shall register orphans resident in Kitui County.

(5) Should the composition or number of dependants in a household change by virtue of birth, death, marriage or any other reason, the principal beneficiary shall notify the Fund Administrator through the prescribed form.

(6) Upon successful registration and payment of the prescribed fee a principal beneficiary shall be issued with a digital registration card to be used to access the services and benefits under the cover.

(7) Beneficiaries who wish to have their own digital registration card on the same registration as the principal beneficiary shall fill the prescribed form and pay the prescribed fee before being issued with one.

(8) In the event of loss of the digital registration card, a principal beneficiary shall fill the prescribed form for replacement and pay the prescribed fee for such replacement.

(9) The cover shall be valid for the current financial year, and renewable at the beginning of the subsequent financial year.

(10) Registration of eligible persons shall be done continuously at designated offices and public health facilities.

19. (1) The prescribed fee for purposes of Regulation 18 (1) and 18 (4) shall be One Thousand (1000) Kenya Shillings.

(2) The prescribed fee for purposes of Regulation 18 (7) shall be two hundred (200) Kenya Shillings.

(3) The prescribed fee for purposes of Regulation 18 (8) shall be five hundred (500) Kenya Shillings.

(4) All prescribed fees are non-refundable either in part or wholly.

(5) All prescribed fees shall form part of the Fund.
20. (1) The participating health facilities and Sub County Health Management departments shall on a monthly basis prepare and submit invoices for services offered in each month to the Fund Administrator.

(2) The invoices shall be accompanied by a summary statement of services offered by each participating health facilities.

21. The capital funds shall be domiciled in a fund account to be opened with the authority of the County Executive Committee Member for the time being responsible for Finance.

22. (1) The Committee may invest the funds of the Fund which are not immediately required for its purposes in such securities as the County Executive Committee member for the time being responsible for Finance may, from time to time, approve.

(2) The Committee may place on deposit with such bank or banks, on the recommendation of the County Executive Committee Member for the time being responsible for Finance, any moneys not immediately required for the purposes of the Committee.

23. A one off three per cent administration fee shall be charged annually on the total fund allocated for administration purposes.

24. The accounts of the fund shall be audited in accordance with the Public Finance Management Act, 2012, the Public Audit Act 2015 and any other relevant laws.

25. The County Executive Committee Members responsible for Health and Sanitation and for Finance functions may make guidelines for the better carrying into effect of the provisions of these Regulations.

Made on the 1st August, 2018.

MARY N. NGULI,

County Executive Committee Member for Finance.