

An excerpt from:

Better Health & Social Care: How are Co-ops & Mutuels Boosting Innovation & Access Worldwide?

An International survey of co-ops and mutuels at work in the health and social care sector (CMHSC14)

Volume 2: National Cases

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For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

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HEALTH SYSTEM

Kenya does not have a compulsory public health insurance scheme. Instead it has a government National Health Insurance Fund (NHIF)¹ that provides comprehensive health care for the general public (both formal and informal sectors). It is compulsory for the employed but voluntary for the rest of the population. However, it is not adequate since it applies only to inpatient services. A proposal to include outpatient services has yet to receive approval.²

Proponents of adequate access to health care in Kenya still face a myriad of challenges. According to 2010 statistics, NHIF had 2.8 million principal members (6.6 million, including dependents). The number of members has increased in the last three years because of increased awareness and the latest government quest to create more access to health care. The current, devolved governance system is also playing a key role in pushing this agenda.

INSURANCE CO-OPS

In Kenya there appear to be no cooperatives intended purely for health. If any do happen to exist, there are no verifiable data. But we can mention the CLUSA,³ which has been working to enable a cooperative health sector in Kenya. "In 2001, CLUSA, international program of the National Cooperative Business Association, began providing community health mobilization services in rural Kenya. Since its first project began in western Kenya, CLUSA has assisted over 2,000 communities to form village, multi-village, women's and youth-based health associations and to develop and implement community health plans. CLUSA has also trained over 4,000 village-based, community health workers. Altogether, over one million community residents in Kenya have benefited from this program."⁴

In Kenya, primary cooperative societies are engaged in a wide range of activities, all falling into the following seven broad categories (although the list is not exhaustive): agricultural, savings and credit (SACCOs), housing, service, industrial, consumer, and multipurpose.

Based on our research, there is nothing to report in terms of health or social care co-ops. We found only a case relating to health plans. Data is only available for what the **Co-operative Insurance Company of Kenya (CIC)**,⁵ an insurance cooperative, does as a company, especially its medical insurance department.

CIC Profile

Basic Facts

- CIC was incorporated in 1978.
- The Company is owned by 1,560 cooperative societies and around 3,900 individuals.
- The Co-operative Bank of Kenya owns a significant stake, providing leverage in bank assurance.

Population (in thousands): 43,178

Population median age (years): 18.72

Population under 15 (%): 42.37

Population over 60 (%): 4.25

Total expenditure on health as a % of Gross Domestic Product: 4.7

General government expenditure on health as a % of total government expenditure: 5.9

Private expenditure on health as a % of total expenditure: 61.9

- CIC is the fastest growing insurance company in Kenya. It ranks Number 2 in terms of market share and is the leading cooperative insurer on the continent of Africa.
- The CIC Group has three subsidiaries: CIC Life Assurance, CIC General Insurance, and CIC Asset Management.
- CIC is a market leader in group life business in Kenya and a leading microinsurer in Africa and the developing world.
- CIC is a role model in the cooperative movement of the developing world.
- Under general business, CIC champions health insurance for the Kenyan market – low-, middle-, and high-income segments.

How CIC's Health Insurance Works

- CIC began its health insurance business in 2001.
- CIC Insurance designs and develops health insurance products adapted to the market's needs.
- Health coverage is targeted to the larger market as well as the cooperative sector. CIC products are designed and customized to

meet the specific needs of the low-income and the high-end corporate market segments.

- Distribution occurs through SACCOs, co-ops, MFIs, and direct marketing.
- CIC doesn't run its own health care facilities. The health care value-chain (hospitals, pharmacies, laboratories, outpatient clinics, referral hospitals, etc.) is completed through partnerships with both government and the private sector.
- CIC has a whole department led by a medical doctor and with a competent team of medical underwriters, claims analysts, and staff (nurses, etc.)

CIC Business Turnover & other data

Microhealth only	Dec-2013	Mar-2014
Number of policyholders	3,560	4,699
Total beneficiaries	9,680	12,640
Annual turnover (USD)	\$471,695	\$471,695
Combined (Microhealth & Corporate)	2012 - Dec 13	Mar 2014
Number of co-ops covered	141	32
Lives covered	15,105	4,881
Turnover (USD) ⁶	\$2,006,244	\$735,112

OTHER

There are some community health initiatives in Kenya but they cover a limited population, as earlier indicated. Most **community-based health financing/insurance schemes** (CBHFs) in Kenya have been initiated within integrated development activities with donor support.

According to 2010 statistics, there are a total of 38 CBHF schemes. They have about 100,510 principle members who contribute for 470,550 insured beneficiaries. The numbers are still growing. However, these CBHFs are not necessarily cooperatives. They are registered as Self-Help Groups or as Community-Based Organizations.⁷

Perhaps the government could support their transformation into cooperatives. This can be done through the elaboration of an appropriate legal framework, followed by a suitable policy. They can also pool their efforts by uniting as national, regional, and international apexes.⁸

SOURCES

- ¹ National Hospital Insurance Fund. 2014. Website. Retrieved August 18, 2014 (<http://www.nhif.or.ke>).
- ² See Muiya, Bernard Munyao. 2013. "Universal health care in Kenya: Opportunities and challenges for the informal sector workers." *International Journal of Education and Research* 1(11):1-10.
- ³ Short for NCBA CLUSA Kenya: the National Cooperative Business Association Cooperative League of United States of America International.
- ⁴ Nadeau, E.G. 2010. "The First Mile: The Potential for Community-Based Health Cooperatives in Sub-Saharan Africa." University of Madison: Centre for Cooperatives.
- ⁵ The data was collected with the assistance of a home-based consultant from CIC.
- ⁶ 2014 figures are for end of March 2014 (new business & renewals).
- ⁷ See Kenya Community Based Health Financing Association. 2014. Website. Retrieved August 18, 2014 (<http://www.kcbhfa.org/>).
- ⁸ For more information on CIC in Kenya, contact Nelson C. Kuria, OGW, MBS, Group Chief Executive Officer, CIC Plaza, Mara Road - Upper Hill. P.O. Box 59485 - 00200, Tel +254 020 282 3201 Mobile +254 721 632 713 or +254 735 750 885. Nairobi. E-Mail: kuria@cic.co.ke. Website: (<http://www.cic.co.ke>).