



REPUBLIC OF KENYA

**KENYA GAZETTE SUPPLEMENT**

**NATIONAL ASSEMBLY BILLS, 2021**

---

---

**NAIROBI, 11th May, 2021**

---

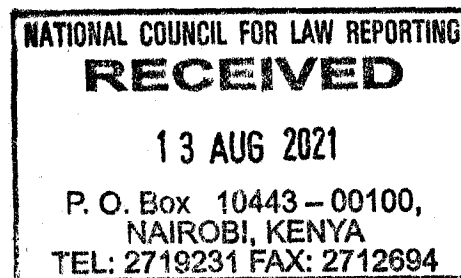
---

CONTENT

Bill for Introduction into the National Assembly—

PAGE

The National Hospital Insurance Fund (Amendment) Bill, 2021.....657



**THE NATIONAL HOSPITAL INSURANCE FUND  
(AMENDMENT) BILL, 2021**

**A Bill for**

**AN ACT of Parliament to amend the National Hospital  
Insurance Fund Act, 1998**

**ENACTED** by the Parliament of Kenya, as follows—

1. This Act may be cited as the National Hospital Insurance Fund (Amendment) Act, 2021. Short title.

2. The long title of the National Hospital Insurance Fund Act, 1998, in this Act referred to as the “principal Act” is amended by inserting the words “to establish the National Health Scheme” immediately after the word “Board”. Amendment of the long title to No. 9 of 1998.

3. Section 2 of the principal Act is amended by— Amendment of section 2 of No. 9 of 1998.

- (a) by deleting the definition of “card”;
- (b) in the definition of child by deleting paragraphs (b), (c) and (d);
- (c) by deleting the definition of “hospital”;
- (d) by deleting the definition of “stamp”;
- (e) deleting the definition of “inspector” and substituting therefor the following new definition;
  - “inspector” means a person appointed to carry out an inspection under section 32”;
- (f) by inserting the following new definitions in proper alphabetical sequence;

“accreditation” means the formal recognition of a health care provider by the relevant body”;

“beneficiary” means a person who—

- (a) has not attained the age of twenty-one years, has no income of his own and is living with the contributor;
- (b) has not attained the age of twenty-five years, is undergoing a full-time course of education at a university, college, school or other educational

establishment or serving under articles or an indenture with a view to qualifying in a trade or profession and is not in receipt of any income other than a scholarship, bursary or other similar grant or award;

- (c) is either mentally or physically handicapped and is wholly dependent on and living with the contributor;
- (d) is a spouse; or
- (e) is a contributor;

“contracting” means the entering into a formal agreement with an empaneled health care provider for purposes of provision of services;

“empanelment” means enrolment of a health care provider into the list of health care service providers published in the *Gazette*;

“health care provider” means the whole or part of a public or private institution, building or place, duly registered healthcare professional, whether for profit or not, that is operated or designed to provide in-patient or out-patient treatment, diagnostic or therapeutic interventions, nursing, rehabilitative, palliative, convalescent, preventative or other health service;

“indigent” means a person who is poor and needy to the extent that the person cannot meet their basic necessities of life;

“vulnerable person” means a person who is in need of special care, support or protection, including the orphaned and vulnerable children, widows or widowers, person living with disabilities, poor elderly persons or indigent due to a risk of abuse or neglect and who has been identified as such by the relevant government body;

**4. Section 5(1) of the principal Act is amended—**

- (a) in paragraph (b) by deleting the words “declared hospitals” and substituting therefor the words “empaneled health care providers”;
- (b) by deleting paragraph (c) and substituting therefor the following new paragraph—

Amendment of section 5 of No. 9 of 1998.

“(c) in consultation with the Minister, to set the criteria for the empanelment and contracting of health care providers for the purposes of this Act”;

(c) by deleting paragraph (g) and substituting therefor the following new paragraphs—

“(g) to facilitate attainment of Universal Health Coverage including communication and stakeholder engagement; and

(h) to perform such other functions as are conferred on it by this Act or by any other written law”.

5. The principal Act is amended by deleting section 9 and substituting therefor the following new section—

Repeal and replacement of section 9 of No. 9 of 1998.

Remuneration of members of the Board.

9. The chairman and members of the Board, other than the chief executive officer, shall be paid out of the funds of the state corporation such sitting allowances or other remuneration as the Board may, in consultation with the relevant government agencies, determine.

6. The principal Act is amended by deleting section 10 and substituting therefor the following new section—

Repeal and replacement of section 10 of No. 9 of 1998.

Chief Executive Officer.

10. (1) There shall be a chief executive officer whose terms and conditions of service shall be determined by the Board in consultation with the relevant government agencies.

(2) A person is qualified for appointment as a chief executive officer if the person—

- (a) has at least a Bachelor’s degree from a university recognized in Kenya;
- (b) has at least ten years’ experience at a senior management level with skills in health insurance, health financing, financial management, health economics, healthcare, administration, law or business administration; and
- (c) meets the requirements of Chapter Six of the Constitution.

(3) The chief executive officer shall, subject to the directions of the Board, be responsible for

the day to day management of the affairs and staff of the Board.

(4) The chief executive officer shall serve for a term of three years and shall be eligible for re-appointment for a further and final term of three years.

7. The Principal Act is amended by inserting the following new section immediately after section 10—

Insertion of new section 10A in No. 9 of 1998.

Corporation Secretary

**10A.** (1) The Board shall competitively recruit a person qualified in terms of the law governing the practice of certified secretaries in Kenya, to serve as the Corporation Secretary of the Board.

(2) The Corporation Secretary shall be the Secretary to the Board and shall—

- (a) in consultation with the Chairperson of the Board, issue notices for meetings of the Board;
- (b) keep, in custody, the records of the deliberations, decisions and resolutions of the Board;
- (c) transmit decisions and resolutions of the Board to the Chief Executive Officer for execution, implementation and other relevant action;
- (d) provide guidance to the Board on their duties and responsibilities on matters relating to governance; and
- (e) perform such other duties as the Board may direct.

8. Section 11 of the Principal Act is amended by deleting the words “officers, inspectors and servants” and substituting therefor the word “staff”.

Amendment of section 11 of No. 9 of 1998.

9. The Principal Act is amended by deleting section 12 and substituting therefor the following new section—

Repeal and replacement of section 12 of No.9 of 1998.

Common seal of the Board.

**12.** (1) There shall be a common seal of the Board which shall be kept in the custody of