1.0 INTRODUCTION

Kenya Revenue Authority (KRA) has a workforce of 4,539 employees distributed in various stations within the country (refer to the attached list). KRA currently provides both in-patient and out-patient medical services to its employees and their dependants through an approved network of 49 medical service providers spread within Kenya.

2.0 CURRENT MEDICAL SCHEME PROVISIONS

KRA currently operates a medical scheme with the following provisions:

2.1 SCHEME COVERAGE

The medical scheme covers both outpatient and inpatient treatment for employees and their eligible dependants as follows:

- **Inpatient Medical cover** - KRA meets 100% of the inpatient medical expenses (less N.H.I.F rebate).
- **Outpatient Medical Cover** – KRA meets 75% and the staff 25% of the expenses.
- **NOTE**: KRA meets the cost of hearing aids, crutches, wheel chairs and prosthetics.

Scheme beneficiaries are limited to one spouse and four children up to the age of 24 years and where a couple is employed by KRA they are treated as one family.

The following entitlements are applicable for each family per financial year:

<table>
<thead>
<tr>
<th>GRADE</th>
<th>ANNUAL LIMIT (KSHS.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CATEGORY 1 (KRA 5 – 10)</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2. CATEGORY 2 (KRA 3 – 4)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>3. CATEGORY 3 (KRA 1-2)</td>
<td>700,000</td>
</tr>
</tbody>
</table>
NOTE: The Scheme has provision for discretional consideration for ex-gratia assistance (upto Kshs. 500,000.00) when staff exceed set entitlements. It also provides for reimbursement of expenses incurred by employees during emergencies in Government hospitals and non contracted hospitals which are NHIF recognised.

2.2 MEDICAL SERVICE PROVISION

KRA has identified and contracted specific medical service providers in various locations across the country.

KRA has also engaged a private firm for provision of biometrically controlled technology to facilitate identification of beneficiaries and regulate usage medical entitlements Staff and dependants are therefore required to identify themselves to the service providers through a medical smart card.

The scheme has set ward bed entitlements as follows:

<table>
<thead>
<tr>
<th>GRADE</th>
<th>BED ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CATEGORY 1 (KRA 5 – 10)</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>2. CATEGORY 2 (KRA 3 – 4)</td>
<td>SEMI-PRIVATE</td>
</tr>
<tr>
<td>3. CATEGORY 3 (KRA 1-2)</td>
<td>GENERAL WARD BED</td>
</tr>
</tbody>
</table>

2.3 LIMITS

The scheme provides for limits as follows:

- Spectacle Frames – Upto Kshs. 10,000.00 per dependant per year
- Dental expenses – Upto Kshs. 30,000.00 per family per year
- Medical Examination/Check ups – Upto 15,000.00 per person per year
- Maternity expenses – Upto Kshs. 150,000.00

2.4 EXCLUSIONS

The scheme has the following exclusions:

- Drug addiction
- Cosmetic surgery
- Sunglasses
• Attempted suicide
• Treatment by unregistered practitioners
• Maternity costs for dependant’s child

2.5 OVERSEAS TREATMENT

• The Medical Policy provides for granting of discrentional authority for staff and eligible dependants to obtain medical treatment overseas upon recommendation by an attending doctor. It also caters for the air travel of a staff member or eligible dependant and with regard to a child up to twenty four (24) years, and also air travel for an accompanying person.
3.0 TERMS OF REFERENCE

KRA intends to outsource medical service management and is considering the following scheme management options:

1. A medical insurance cover for both out-patient and in-patient services.

2. External medical administration services for a self funded outpatient and inpatient medical scheme.

3. A hybrid medical scheme with a medical insurance cover for inpatient medical services and external medical administration for outpatient medical services.

The terms of reference with regard to the above mentioned options are as follows:

**Option 1- Medical insurance cover for outpatient and inpatient services**

a) Inpatient and outpatient cover as per KRA medical services.

b) Provider must provide a network of hospitals that will offer no hassle admission to KRA staff on credit on production of a medical card.

c) Provider must be in a position to issue membership cards to all staff and their approved dependants as soon as they go on cover.

d) Provider should be able to negotiate doctors/ specialists fees to enable efficient utilization of the scheme benefits.

e) Provider should provide comprehensive quarterly reports on scheme utilization, an analysis on utilization trends and recommendations on better utilization KRA may also request for reports on need basis.

**Option 2: Self-funded external medical administration**

1. **Services to be offered**
   a) Management of the entire employee medical claims and service processes
   b) Pre-negotiated rates with providers i.e. hospitals, claims, doctors.

2. **Claims Management**
   a) Receiving of claims
   b) Claims processing
   c) Records reconciliation
3. **Care Management**
   a) Managing Pre-authorization for treatment
   b) Coordinating Hospitalization of beneficiaries
   c) Undertaking Clinical follow ups
   d) Carrying out Patient visits
   e) Patient Discharge management
   f) Outpatient treatment follow up

4. **Clinical Data Management**

   Carrying out analysis and preparing reports on disease prevalence

   a) Reviewing and analyzing data on disease prevalence and patterns.
   b) Preparing and submitting reports on disease prevalence and patterns with appropriate recommendations.

**Option 3 - Hybrid Medical Scheme arrangement**

a) Provision of a comprehensive Inpatient medical insurance cover with KRA medical policy provisions.

b) Provision of Outpatient external medical administration services within KRA medical provisions.