

NATIONAL HEALTH INSURANCE FUND



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ANNUAL REPORT

2019/2020



NATIONAL HEALTH INSURANCE FUND

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**Annual Report
For the Financial Year 2019-2020**



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NHIF Head Quarter Office in Dodoma Region



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CORPORATE INFORMATION

National Health Insurance Fund (NHIF),
NHIF building, Tambukareli,
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Dodoma.
E-mail: info@nhif.go.tz
Tel: +255 26 2963887/8

PARENT MINISTRY

Ministry of Health, Community Development, Gender, Elderly and Children,
Afya Street – Mtumba,
P. O. Box 743,
DODOMA.

REGULATOR

Bank of Tanzania (BOT)
2 Mirambo Street,
P.O. Box 2939,
11884 DAR ES SALAAM.

AUDITORS

The Controller and Auditor General,
National Audit Office of Tanzania,
4 Ukaguzi Road – Tambukareli,
P. O. Box 950
DODOMA.

BANKERS

CRDB Bank PLC,
P.O. Box 2302,
DAR ES SALAAM.

National Microfinance Bank,
Bank House,
P.O. Box 9213,
DAR ES SALAAM.

Azania Bank LTD,
P.O.Box 32089,
DAR ES SALAAM.

Tanzania Postal Bank,
P.O.Box 93000,
DAR ES SALAAM.

National Bank of Commerce,
P.O.Box 1863,
DAR ES SALAAM.

TAX CONSULTANT

Auditax International
PPF Tower, 7th Floor
Garden Avenue/Ohio Street
P.O. Box 77949
Dar es Salaam.

Profile

The National Health Insurance Fund (NHIF) is a Social Health Insurance Institution established under the National Health Insurance Act, Cap 395 with the main objective of ensuring accessibility of health care services to the population. It is a Government entity that operates under the Ministry of Health Community Development, Gender, Elderly and Children (MoHCDGEC). The management of the Fund is vested to the Board of Directors while its day to day operations are overseen by the Director General. The Fund considers health insurance as a societal affair rather than an individual need and thus operates under the principles of risk sharing and solidarity among members.

Despite the compulsory enrolment arrangement to public servants, the Fund has expanded its coverage to include other groups like councillors, private companies, education institutions, private individuals, children under the age of 21, farmers in cooperative societies as well as organized registered groups like Machinga, Bodaboda and others of the like. The Fund is also administering the Bunge Health Insurance Scheme and also for Tanzania mainland covers Members of the Zanzibar House of Representatives. As of June 2020, the Fund has covered 8% of the Tanzania population.

The National Health Insurance Fund is ISO 9001:2015 certified since 2018 to embrace the benefits of a Quality Management System that significantly increases efficiency and reduces wastes as well as maximizing customer satisfaction.

The Fund has certified over 8000 health facilities throughout the country to ensure that her members can access quality health services whenever the need arises. These facilities include private facilities as well as Government owned and faith based facilities at all levels of health services provision.

Core Functions of the Fund

The core functions of the Fund are to:-

- i. Register members and issue identity cards;
- ii. Collect contributions from members;
- iii. Certify health service providers for provision of health care services to members;
- iv. Reimburse health service providers' claims for services rendered to members;
- v. Invest the excess funds collected in order to earn income;
- vi. Carry out actuarial assessment and valuation; and
- vii. Provide health insurance education to the public.

Vision

The Fund envisions to be the leading health insurance scheme of choice in the Sub-Saharan Region

Mission

The Fund is dedicated to expanding coverage and providing quality health insurance to beneficiaries

Core Values

- Integrity
- Accountability
- Innovativeness
- Courtesy
- Promptness
- Pro-activeness

N I H I F

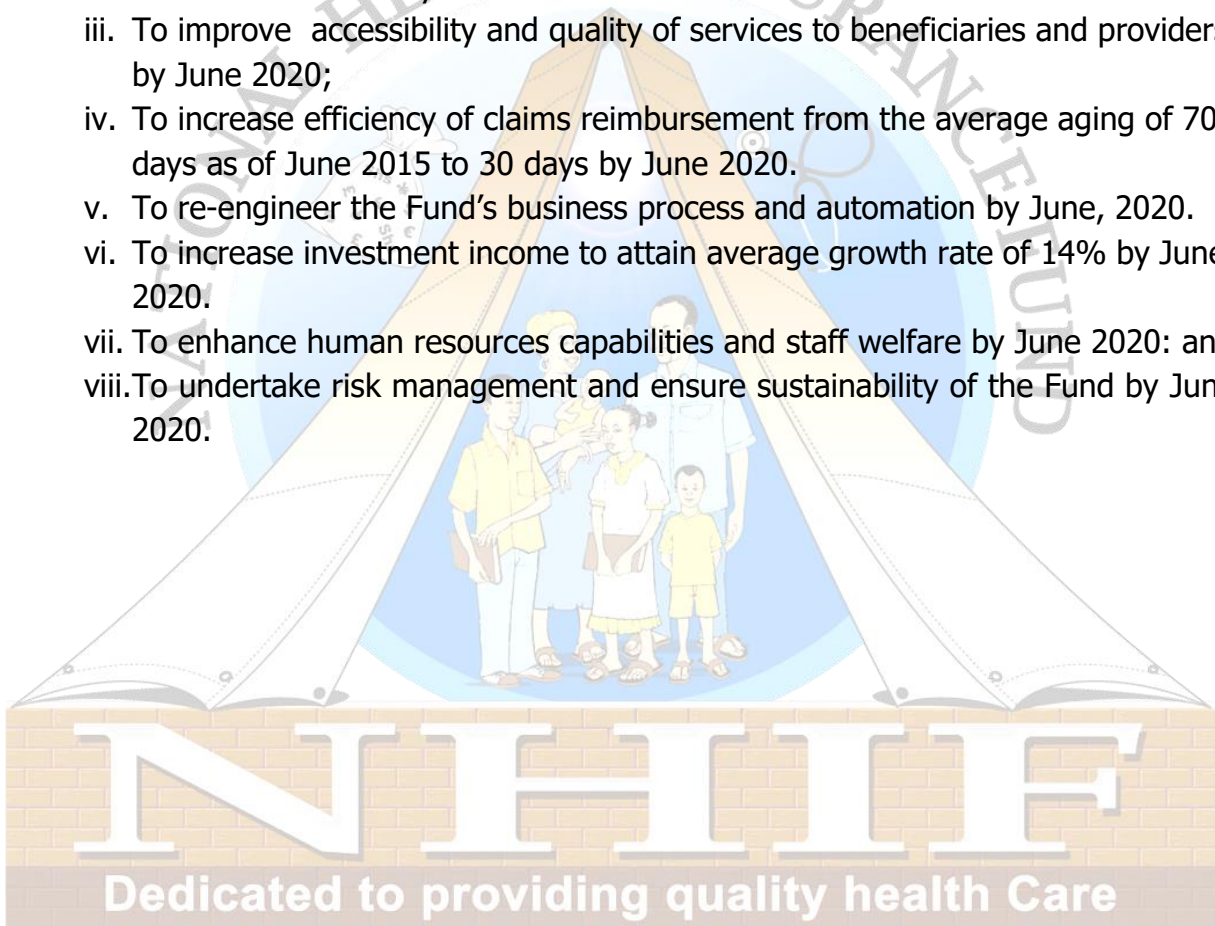
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Corporate Objectives

During the period from 2015/16 to 2019/20 the Fund intended to achieve the following corporate objectives

- i. To increase membership coverage from the level of 26% of the population by June 2015 to 50% by June 2020.
- ii. To increase contributions collection from the annual growth rate of 12% as of June 2015 to 15% by 2020
- iii. To improve accessibility and quality of services to beneficiaries and providers by June 2020;
- iv. To increase efficiency of claims reimbursement from the average aging of 70 days as of June 2015 to 30 days by June 2020.
- v. To re-engineer the Fund's business process and automation by June, 2020.
- vi. To increase investment income to attain average growth rate of 14% by June, 2020.
- vii. To enhance human resources capabilities and staff welfare by June 2020: and
- viii. To undertake risk management and ensure sustainability of the Fund by June 2020.



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LIST OF ABBREVIATION

ADDO	Accredited Drugs Dispensing Outlets
Hon.	Honourable
ICT	Information and Communication Technology
MEFI	Medical Equipment and Facility Improvement
MoHCDGEC	Ministry of Health, Community Development, Gender, Elderly and Children
MP	Member of Parliament
NHIF	National Health Insurance Fund
STG	Standard Treatment Guidelines
TZS	Tanzanian Shilling
UHC	Universal Health Coverage



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LETTER OF TRANSMITAL



Honourable Minister,
Hon. Umyy Mwalimu (MP),
Ministry of Health, Community Development, Gender, Elderly and Children,
Afya Street – Mtumba,
P. O. Box 743,
DODOMA.

RE: THE ANNUAL REPORT OF THE NATIONAL HEALTH INSURANCE FUND FOR THE FINANCIAL YEAR 2019/2020

Reference is made to the subject above.

It is my honour to submit the Annual Report and Audited Accounts of the Fund for the Financial Year ended 30th June 2020, pursuant to Section 30 (c) of the National Health Insurance Fund Act, Cap 395 R.E 2002.

This report has been approved for submission to you as a true and accurate record of our compliance and achievements.

Audited Financial Reports for the FY 2019/2020 are attached to this report.

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.....
Hon. Anne S. Makinda

CHAIRPERSON OF THE BOARD OF DIRECTORS

CC:

- Treasury Registrar
- The Governor, Bank of Tanzania

CHAIRPERSON'S STATEMENT

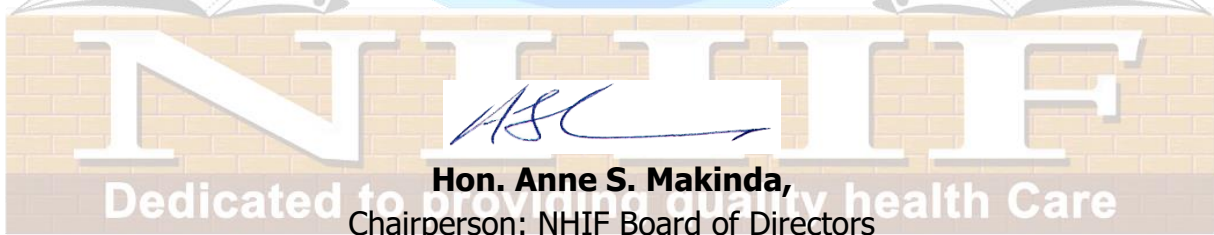


Hon. Anne S. Makinda

On behalf of the Board of Directors of the National Health Insurance Fund, I am pleased to present the Fund's Annual Report, Report of Directors and Audited Financial Statements for the Financial Year 2019/2020.

I am proud to inform you that, the Fund registered significant improvement in all of its core functions of compliance, members' registration, payment to providers, quality assurance, publicity and management of investment portfolios. The efforts led to the increase in the total number of contributing members and beneficiaries of the Fund from **4,992,485** in previous year to **5,459,136** in 2019/2020

The Fund strives towards enabling the Government to realize its objective in attainment of Universal Health Coverage (UHC) sustainably and is grateful for the support received from the Government, esteemed NHIF beneficiaries and other key stakeholders who significantly contribute to the growth of the Fund.



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BOARD OF DIRECTORS



Hon. Anne S. Makinda
Chairperson



Tryphone Rutazamba
Vice Chairperson



Dr. Kaushik Ramaiya
Member



Dr. Baghayo A. Saqware
Member



Edward N. Mbanga
Member



Omary Khama
Member



Deus G. Seif
Member



Dr. Grace Magembe
Member



Bernard H. Konga
Secretary

NHIF EXECUTIVE MANAGEMENT



Bernard H. Konga
Director General



Celestin Muganga
Director of Planning and Investments



Charles Lengeju
Director of Human Resources and Administration



Christopher Mapunda
Acting Director of Membership Services



Dr. David Mwenesano
Director of Medical and Technical Services



Goodluck Kirabe
Director of Finance



Alexander Sanga
Director of Information, and Communication and Technology

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Grace Temba
Chief Internal Auditor



Rose Ntundu
Anti-Fraud Manager



Baraka Maduhu
Actuarial, Research and Risk Management manager



Lydia Choma
Legal Services Manager



Anjela Mziray
Public Relations Manager



Leonia Masmin
Procurement Unit Manager



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DIRECTOR GENERAL'S REVIEW OF OPERATIONS



I am delighted to present the Annual Report of the Fund for the Financial Year 2019/2020, the last year of implementation of the Fund's Third Five Year Strategic Plan (2015/2016-2019/2020).

I am honoured to report that, the Fund attained significant achievements during the period in many aspects including in membership coverage, customer satisfaction, and health services providers' network expansion, quality assurance, and anti-fraud interventions during utilization of the Fund's services.

By 30th June 2020, the Fund had **1,055,555** contributing members from the private and public sectors compared to **966,792** contributing members in June 2019. These translate into a total of **4,403,581** beneficiaries compared to **4,025,693** total beneficiaries in previous year. The number of beneficiaries has increased by **9.2%**. Total revenue collection from member contributions, gains from investments and other sources increased to **TZS 550.43 billion** in 2019/20 from **TZS 518.88 billion** in the previous year. Out of these revenues, **TZS 467.77 billion** was collected from Member Contributions, compared to **TZS 431.00 billion** collected in the previous year. **TZS 79.49 billion** was from investments, a decrease by **6%** from **TZS 84.77 billion** earned in the previous year and income from other sources increased to **TZS 3.17 billion** from **TZS 3.11 billion** in the previous year.

The Fund spent **TZS 608.09 billion**, in 2019/2020 an increase by **5.28%** from **TZS 577.59 billion** spent in the previous year. **TZS 499.41 billion** was spent for benefit payments, which is equivalent to **82%** of total expenditure, **TZS 70.95 billion** were administrative expenditure, equivalent to **12%** of annual expenditure and **TZS 37.73 billion** were other expenditures including membership expenses and taxes to the Government which made **6%** of total annual expenditure.

The Fund has continued to improve its high standard service provision to her client through adherence to ISO standards, of which the Fund was certified for n 2017/2018. This led to attaining customer satisfaction of **91%**.

As the Fund clientele keeps broadening through an expansion of the certified network of service providers, and new members, advancement of Information Communication Technology for increasing efficiency in all the Fund's processes has become a key area of focus.

The Fund is determined to maintain the achievements made and increase its pace with the main objective of enabling the Government to achieve Universal Health Coverage (UHC) for better health for all.

1. OPERATIONAL HIGHLIGHTS

Membership coverage.

Membership coverage increased to **4,403,581** beneficiaries in 2019/20 compared to **4,025,693** in the previous year marking an increase of beneficiaries by **9.4%**. This increase was attributed by an increase of number of contributing members from **966,792** in previous year to **1,055,555** in 2020. This makes **8%** of Tanzania population covered by NHIF.

Benefits payment.

Total benefit payments were **TZS 499.41 billion** compared to **TZS 476.17 billion** recorded in the previous year. The increase in benefit payments was a result of increase in utilization of services among beneficiaries due to increase in the number of members and beneficiaries and increase in number of NHIF accredited facilities offering more options to members.

Contribution income.

Income from member contributions increased from **TZs 431.00 billion** in

previous year to **TZs 467.77 billion** in 2019/20. The increase was attributable to recruitment of new members.

Network of Certified Health Providers Increased.

Number of registered accredited health care facilities by the Fund has increased by **10%**. As of June 2020 **8,378** accredited health care facilities were registered by the Fund compared to **7,606** registered in 2018/19

Income from investment

Income from investments amounted to **TZS 79.49 billion** compared to **TZS 84.77 billion** earned in the prior year, which makes a decrease of **6.2%**. A fall in market interest rates contributed to the decline.

Loans issued to Service Providers.

Loan issued to service Providers has decreased by **49.87%**, from **TZS 8.06 billion** in June 2018/2019 to **TZS 4.04 billion** in June 2019/2020

2. OPERATIONAL AND FINANCIAL REPORTS

2.1 Membership Services

The Fund recruited **411,214** members, for the year 2019/2020. As of June 2020 the Fund had **1,055,555** contributing members, which is a **9.2%** increase from **966,792** in the previous year. These contributing members translated into **4,403,581** beneficiaries which **9.4%** increase from **4,025,693** beneficiaries in the previous year. Table 01 provides more details.

Table 01: NHIF Contributing Members as of 30 June 2020

Member Category	2019/20	% Membership category Proportion
Public Employees	578,048	54.76%
Students	214,642	20.33%
Private Employee	90,926	8.61%
Councilors	3,998	0.38%
Members of Parliament	394	0.04%
Toto Afya Kadi	128,554	12.18%
Mutual (KIKOA)	3,672	0.35%
Private Individuals	2,410	0.23%
Clerics	5,209	0.49%
Intern Doctors	838	0.08%
Ushirika Afya	6,807	0.64%
Madereva Afya	133	0.01%
Najali Afya	10,088	0.96%
Timiza Afya	5,700	0.54%
Wekeza Afya	3,276	0.31%
Machinga Afya	10	0.00%
Umoja Afya	850	0.08%
Total	1,055,555	100%

Over the five year period of the strategic plan, the number of beneficiaries has increased by **30.3%** from **702,598** contributing members and **3,377,023** beneficiaries in 2015/2016 to **1,055,555** contributing members and **4,403,581** beneficiaries in 2019/2020.

Figure 01: NHIF Principal Members by Categories as of June, 2019

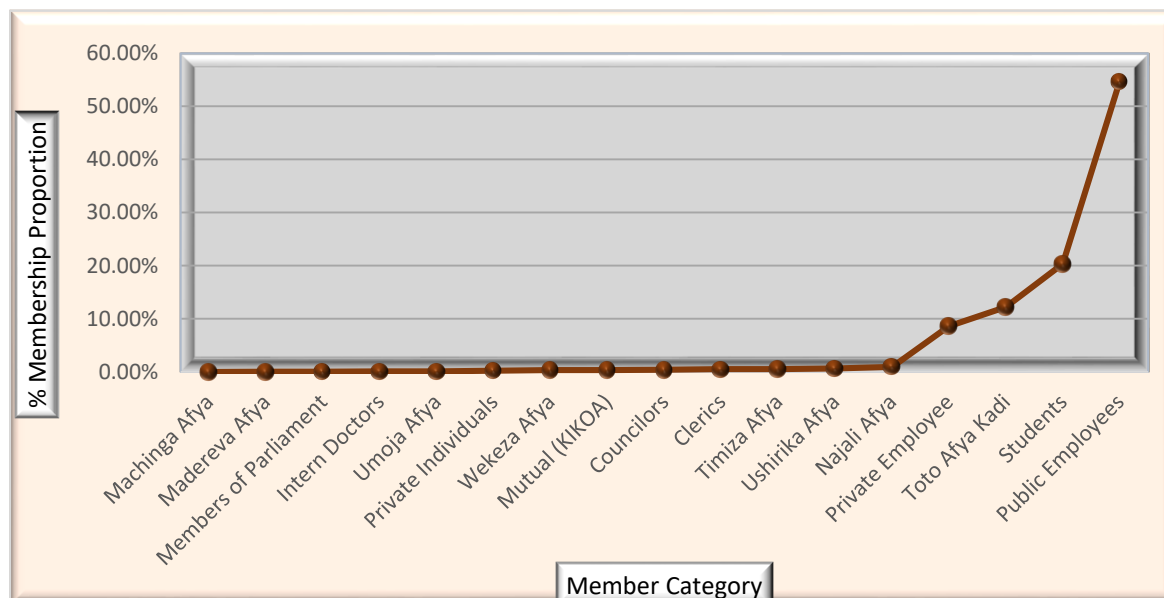


Table 01: NHIF Coverage (2015/2016 -2019/2020) Trend

Financial Year	Contributing Members	Annual Increase Rate	NHIF Beneficiaries	Annual Increase Rate	% of coverage of the Population
2015/16	702,598	9.7%	3,377,023	4.3%	7%
2016/17	753,892	7.3%	3,491,400	3.4%	7%
2017/18	858,446	13.9%	3,918,999	12.2%	7%
2018/19	966,792	12.6%	4,025,693	2.7%	8%
2019/20	1,055,555	9.1%	4,403,581	9.4%	8%

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2.2 Revenues Collection

The Fund's main sources of revenues are Member Contributions and Investments income. As of June 2020, the Fund has collected **TZS 550.43 billion**, equivalent to an increase of **6.08%** from **TZS 518.87 billion** collected in the previous year.

The Fund collected **TZS 467.77 billion** from Member Contributions, equivalent to an increase of **8.5%** from previous year collections of **TZS 431.00 billion**. This increase was attributed to recruitment of new members. **TZS 79.49 billion** was from investments, a **6%** decrease from **TZS 84.77 billion** earned in the previous year. This

was due to a decrease in volume of interest bearing investments, as well as continued decline in interest rates in the financial market. **TZS 3.17 billion** was from Other Sources, a **1.9%** increase from **TZS 3.11 billion** in the previous year.

Table 02: Summary of Revenues Performance for the Financial Year 2018/19

Descriptions	2018/19	2019/20
Contribution Income	431,003,120	467,772,192
Investment income	84,771,806	79,493,247
Other Income	3,111,057	3,167,740
Total Revenue	518,885,983	550,433,179

2.3 Member Contributions

Member contributions is the main source of revenues for the Fund, comprising of statutory contributions from employers, employees and voluntary contributions from other member categories available at the Fund namely; members of parliament, private employers, toto afya kadi, Students, Mutual, Clerics, private individuals, councillors, Ushirika Afya and intern doctors. The revenue trend from these sources is provided in Table 04 and Figure 2 below show that revenue for contributions has been growing year by year;

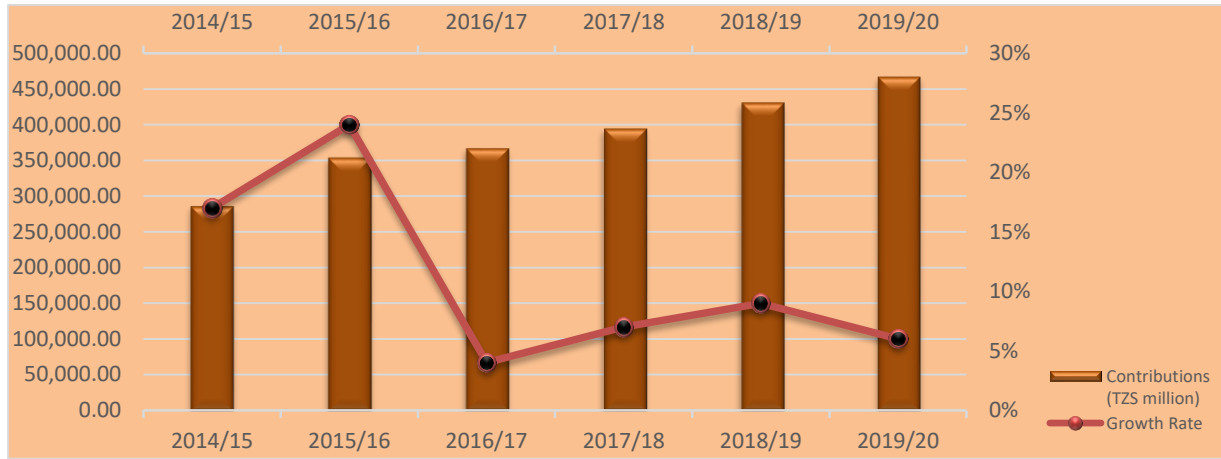
Table 04: Contributions Collection from the Financial Year 2014/15 to 2019/20

Financial Year	Contributions (TZS million)	Growth Rate
2014/15	286,702.26	17%
2015/16	354,446.73	24%
2016/17	367,634.47	4%
2017/18	394,931.06	7%
2018/19	431,003.12	9%
2019/20	467,772.19	8%

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Figure 02: Contributions Collection from the Financial Year 2014/15 to 2019/20



2.4 Investment Portfolio

Investment at NHIF is guided by the NHIF establishing Act, Bank of Tanzania Investment Guidelines, the Social Security Schemes Investments Guidelines (2015), NHIF Investments Management Policy, and the Medical Equipment Facility Improvement (MEFI) and Medicines and Medical Consumable Loans Guidelines of the Fund. The Fund invests in a range of asset classes consisting of equities (shares in listed and un-listed companies), Government securities, money market instruments, properties, loans to health facilities, Government guaranteed projects and other investments. Table 05 show more.

Income from investments amounted to **TZS 79.49 billion** compared to **TZS 84.77 billion** earned in the previous year a decrease by **6.2%**, the major contributing factor to the fall of investment income was the decrease in volume of interest bearing investments and continue decline in interest rates in the financial market. The trend of investment income from 2010/11 to 2019/20 is as shown in Table 6 and Figure 3.

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Table 05: NHIF Investment Portfolio as of 30 June 2020

Investment Category	2020		2019		Approved allocation
	TZS'000	percentage	TZS'000	percentage	
Fixed income assets					
Investment in term deposits	330,453,038	32%	144,618,617	13%	0-35%
Loans receivables	231,598,239	22%	224,591,779	21%	0-10%
Investment in Government securities	327,278,279	31%	608,162,545	56%	20-70%
Investment in corporate bonds	6,005,081	1%	6,003,643	1%	0-20%
Equity investments					
Investment in shares	137,623,357	13%	104,174,576	10%	0-20%
Total	1,032,957,994	100%	1,087,551,160	100%	

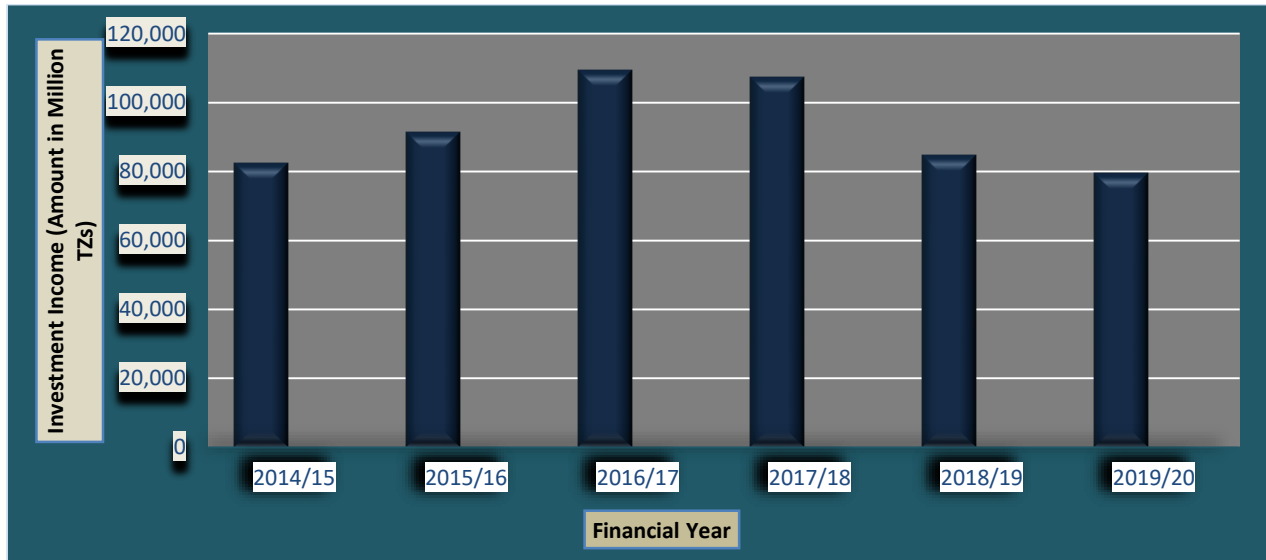
Table 06: Income from Investments from 2010/11 to 2019/2020

Financial Year	Investment Income (Amount in Million TZs)	Growth Rate
2014/15	82,385.42	
2015/16	91,258.00	10.8%
2016/17	109,469.16	20.0%
2017/18	107,368.00	-1.9%
2018/19	84,771.80	-21.0%
2019/20	79,493.25	-6.2%

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Figure 03: Trend of Investment Income from 2014/15 to 2019/20



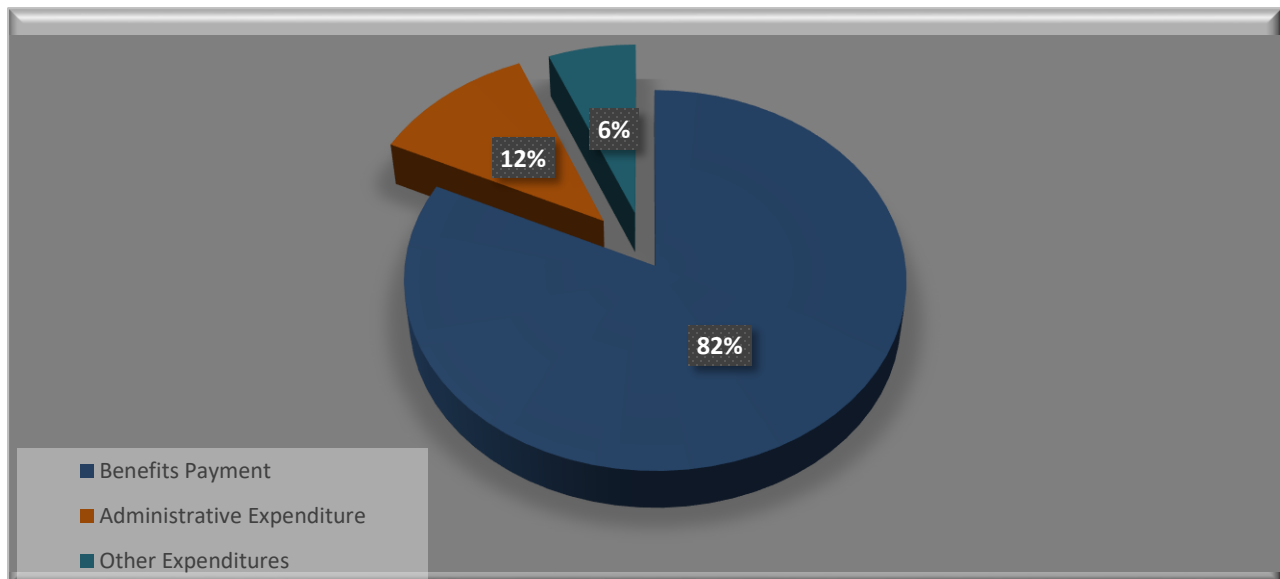
2.5 Expenditure

The Fund spent a total of **TZS 608.09 billion** for implementing its main functions, an increase of **0.43%** from **TZS 577.52 billion** spent in the previous year. **TZS 499.41 billion** was spent for Benefit payment which is **82%** of total expenditure, **TZS 70.49 billion** was administrative expenditure which is **12%** of total expenditure and **TZS 37.73 billion** was other expenditures including capital expenditures, which made **6%** of total expenditure. Table 07 and figure 05 show more.

Table 07: Expenditure Summary for the Financial Year 2019/20

Description	2018/19	2019/20	% increase
Benefits Payment	476,174,946	499,414,325	4.88%
Administrative Expenditure	65,588,607	70,950,516	8.17%
Other Expenditures	35,826,258	37,730,150	5.31%
Total Expenditure	577,589,811	608,094,991	5.28%

Figure 04: Expenditure by Proportion for the Financial Year 2019/2



2.6 Benefits Payments

Benefit payment normally utilize the greatest proportion of the Fund's total income compared to other expenditure categories, as it is the Fund's core activity. As at 30 June 2020, total benefit payments were TZS **499.41 billion** compared to **TZS 476.17 billion** recorded in prior year an increase by **4.8%**. The increase in benefit payments was a result of increase in utilization of services among beneficiaries due to increase in the number of contributing members and beneficiaries from **966,792** contributing members and **4,025,693** beneficiaries in prior year to **1,055,555** contributing members and **4,403,581** beneficiaries in 2019/2020 an increase in number of NHIF certified facilities offering more options to members from **7,606** facilities in prior year to **8,378** facilities in 2020, also contributed to the rise in benefit payment.

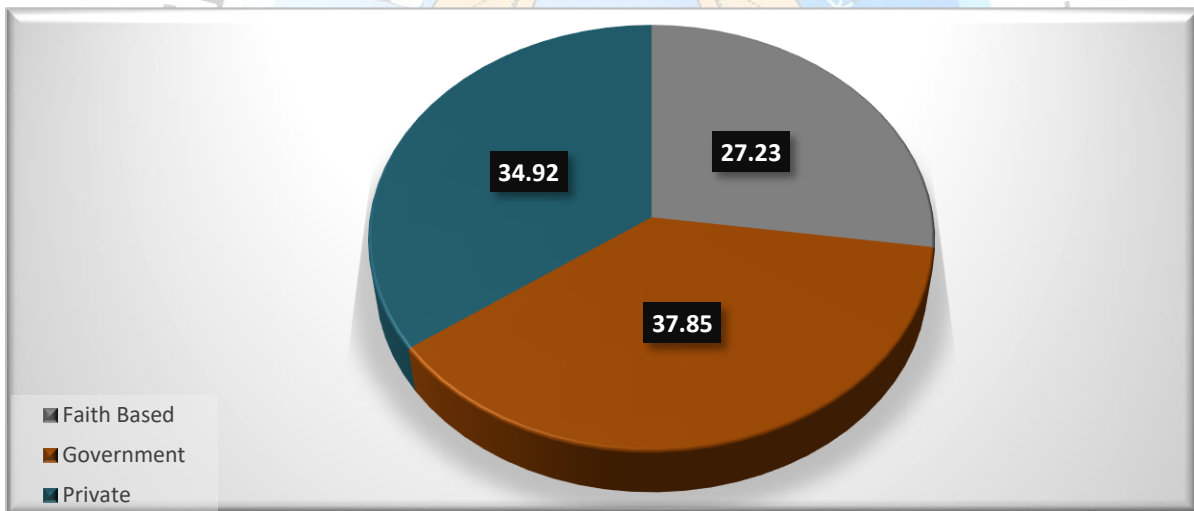
2.6.1 Benefit Payments by Facility Ownership

Total benefit payments in the Financial Year 2019/20 were **TZS 499.41 billion**, out of which **36.94%** was paid to Government owned facilities, **34.47%** was paid to private facilities and **28.59%** was paid to faith based facilities. . Distribution of payments made among categories of service providers is as shown in figure 05.

Table: 08 Benefits Payment by Facility Ownership Type for the Financial Year 2019/20

Facility Ownership	Visits	Amount Paid	Percentage proportion
Faith Based	3,073,171	136,014,302,672.06	27.23%
Government	3,368,133	189,004,394,795.08	37.85%
Private	4,318,520	174,395,627,532.86	34.92%
Grand Total	10,759,824	473,180,563,217.61	100%

Figure 05: Benefits Payments by Facility Ownership Type for the Financial Year 2019/20



2.6.2 Benefit Payments by Type of Benefits

During 2019/20 Financial Year payments for medicines and medical consumables formed the largest proportion (**43.4%**) of total benefits payments, followed by Investigation charges (**17.8%**). The least payment during the period was made to inpatient service (**5.9%**) and cardiac services (**0.4%**). Table 09 provide tabular distribution of total payments by benefit type.

Table 09: Benefit Payments by Types of Benefit for the Financial Year 2019/20

Benefit Categories	2018/19	2019/2020*	% to total payments
Medicines and Medical Consumables	206,990.60	220,314.10	44.11%
Investigation	88,153.02	90,417.44	18.10%
Consultation Fee	66,249.45	71,961.68	14.41%
Procedure	41,567.45	41,426.75	8.30%
Surgical Services	33,144.67	33,009.14	6.01%
Inpatient Services	29,607.65	30,120.30	6.03%
Cardiac services	2,354.81	2,124.65	0.43%
Other Charges	8,107.30	10,040.26	2.01%
Total	476,174.95	499,414.33	100

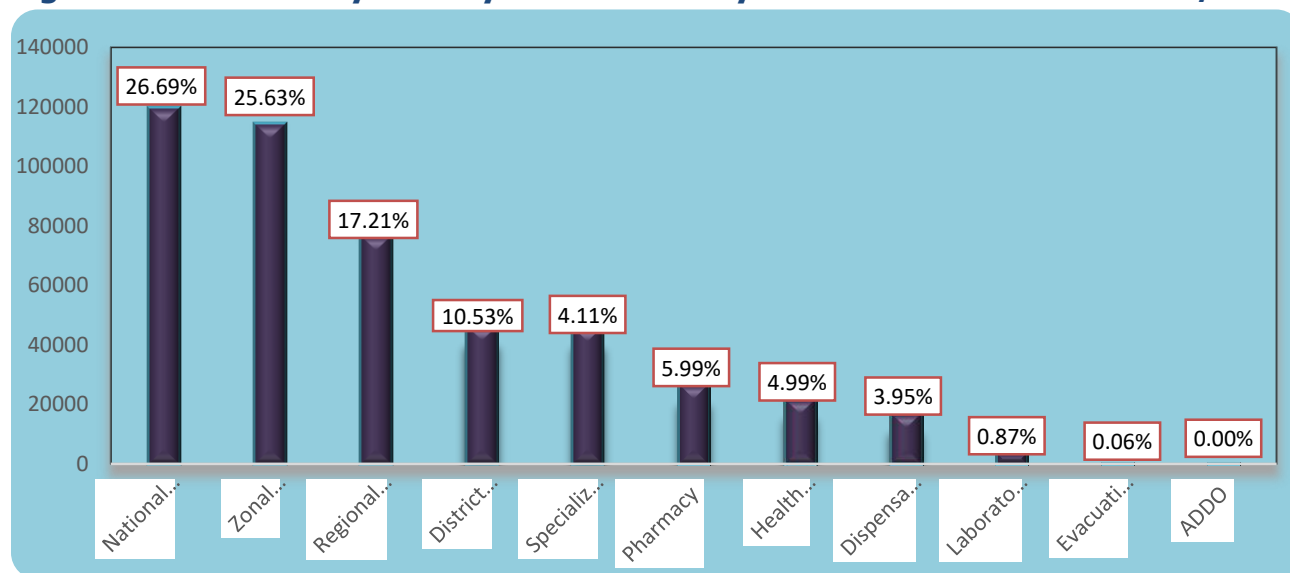
2.6.3 Benefit Payment by Level of Facilities

Further analysis of benefit payments in 2019/20, by facility category, shows that the highest proportion (**25.28%**) was paid to national referral hospitals, followed by zonal referral hospitals (**24.15%**). The least paid category were evacuating facilities (**0.06%**). This difference in payment is highly contributed by availability of specialty and more advanced services at zonal and national referral hospitals and larger number of visits in these facilities. Table 10 shows more.

Table 10: Benefits Payments by Facility Level for the Financial Year 2019/20

S/n	Facility Level	Amount Claimed	Amount Paid	Percentage to total
1	National Referral Hospital	126,757.39	133,277.01	26.69%
2	Zonal Referral Hospital	118,676.95	128,030.62	25.63%
3	Regional Referral Hospital	81,651.58	85,929.71	17.21%
4	District Hospital	49,668.59	52,585.24	10.53%
5	Specialized Clinics	48,721.19	20,507.69	4.11%
6	Pharmacy	27,527.60	29,927.62	5.99%
7	Health Centre	24,115.62	24,779.62	4.96%
8	Dispensary	19,009.40	19,741.22	3.95%
9	Laboratories and Diagnostic Centers	4,049.34	4,367.42	0.87%
10	Evacuating Facilities	260.45	260.45	0.06%
11	ADDO	7.74	7.73	0.00%
<i>Grand Total</i>		500,445.86	499,414.33	100

Figure 06: Benefit Payment by Level of facility for the Financial Year 2019/20



3. MAIN ACHIEVEMENTS

The following main achievements were recorded during the period;

3.1 Improvement of quality and accessibility of services

The Fund carried out different intervention for ensuring beneficiaries and the general public have access to quality health care. These interventions include widening the service provision network, provision of service providers' loans and enhancing quality assurance, functions.

3.2 Certification of Service Providers

As of 30th June 2020 the Fund had a total of **8,378** certified health facilities an increase of **17.93%** compared to the prior year were the Fund certified **7606** health facilities. Out of the certified facilities, **69%** of the facilities were Government owned facilities, whereby, **10%** and **21%** were owned by Faith-Based Organizations and Private entities, respectively. Figure 07 and Table 10 shows number of certified facilities, by ownership in 2020

Table 11: Number of certified facilities by facility ownership as of June 2020

Facility Ownership	No. facilities	Percentage proportion
Faith Based	845	10%
Government	5793	69%
Private	1740	21%
Total	8,378	100%

Figure 07: Certification of Service Providers by ownership in the Financial Year 2019/2020

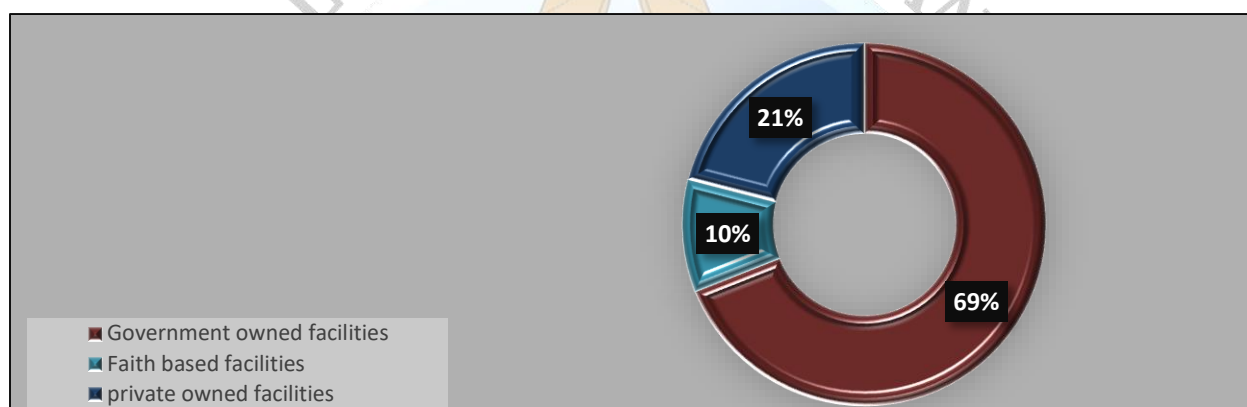


Table 12: Trend of Certification of Health Facilities from 2014/15 to 2019/20

Facility Level	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Dispensary	4,744	4,931	5,360	5,401	5,753	6057
Health Centre	614	628	705	713	766	797
Hospitals	254	262	278	286	298	323
Pharmacy	202	234	320	349	449	558
ADDO	361	359	434	202	200	430
Specialized Clinics	8	21	37	73	130	197
Diagnostic Centers	2	4	6	6	9	15
Evacuating Facility	-	-	-	1	1	1
Total	6,185	6,439	7,140	7,031	7,606	8,378

3.3 Service Providers' Loans

The Fund provided loans to service providers for improving quality of service for the beneficiaries and the general public. There are three main types of loans provided, namely, Medicine Loans, Medical Equipment Loans and Facility Improvement (MEFI) Loans. During 2019/20 financial year, the Fund issued loan to 42 certified facilities, a total

of **TZS 4.04 billion** loans was provided to service providers, out of the total amount provided **TZs 3.06 billion** was provided for Medical Equipment loan. **TZs 845.28 million** was provided for Facility Improvement Loan and **131.65 million** was provided for medicine loan.



Benjamin Mkapa referral hospital in Dodoma financed by NHIF

Table 13: Loans provided to certified Service Providers by Type of Loans

DESCRIPTION	Issued 2019/20	
	Number of Facilities	Amount (Million TZS)
DESCRIPTION	Number of Facilities	Amount (Million TZS)
Medical Equipment Loan	27	3,058.21
Facility Improvement Loan	12	845.28
Medicine loan	3	131.65
TOTAL	42	4,035.14

3.4 Introduction of New Products

The Fund managed to launch new health insurance bundles (Vifurushi) in November 2019. These bundles are categorised into three groups namely NAJALI, WEKEZA and TIMIZA which allow citizen to join the Fund based on their income and family size. As of June 2020, the Fund had registered a total of 18,855 members through new health insurance bundles.

3.5 Improvement in ID production

The Fund managed to cut down ID production period to 9 days for the year 2019/2020 compared to the average of 11 days recorded in the previous year.

3.6 Improved Customer Satisfaction

The Fund continuously enhances service provision to her beneficiaries. A recent comprehensive customer satisfaction survey carried out by an external consultant revealed that the Fund attained a customer satisfaction level of 79% as of June 2020. This indicates a good level of satisfaction and that customers are satisfied with the service provided. Satisfaction. Tanzania Mainland index is at 80% while Zanzibar is at

3.7 Adherence to International standard (ISO)

The Fund has been certified on international standard since 2017/2018 and has maintained its ISO certificate in the year 2019/2020 implying that it continues to conform to the required ISO standards in all processes of service delivery. The Fund planned to roll-over ISO to Temeke, Kinondoni and Dodoma offices and plans to roll over to all offices in the country in order to ensure provision of quality services to its members.

3.8 Expansion of Anti-Fraud Interventions

The Fund expanded anti-fraud interventions in both preventive and detective investigations. The Fund conducted **118** investigation of which **75** were prevented and **43** detective investigation. This led to the recovery of **TZS 5.56 billion** during the period under review compared to **TZS 6.04 billion** recovered in the previous year 2018/2019.

3.9 Human Resource Management

The importance of human resources to the Fund is undeniable as it is the driving force towards attaining the Fund's objectives. The Fund has continued to ensure adequate availability of qualified staff who can deliver desired services to both internal and external stakeholders.

In 2019/20, the Fund had **668** staffs, compared to **636** staff in the previous year, equivalent to a 5% increase. Out of these, **429** were males and **239** females, equivalent to 64% and 36% respectively. The annual increase gender wise was 4% and 6.6% for males and females respectively. Out of these 26% were at the Head Office while 74% were located at the regional offices.

Table 14: NHIF Staff from 2001/02 to 2019/20

Descriptions	2017/18	2018/19	2019/20
Male	397	412	429
Female	212	224	239
Total	609	636	668
Head Office	199	199	174
Regional Office	410	437	494
Total	609	636	668

The Fund provided capacity building through long and short-term trainings to all staffs. Due to the Covid-19, it was impossible to provide training to all staff hence, only 183 staff out of 668 staff attained training during the period. Staff welfare was also prioritized in order to keep the motivation and moral high in serving beneficiaries and the general public at large. This included, timely promotion, loans, medical issues, complaints handling and other staff matters.

3.10 Improved Information and Communication Technology (ICT) Services

The Fund expanded the use of information communication technology in its core businesses, including claim processing and membership management. The Fund's objective is to automate all of its core businesses in order to improve efficiency and productivity and ultimately better service provision to customers. The Fund also migrated to utilizing electronic record movement and management system (e-office) as opposed to physical files movement in the past years, which has speed up service provision.

3.11 Corporate Social Responsibility

Since the entire functioning of the Fund is dedicated to the betterment of the society and not profit oriented, the Fund directly supported different activities at community level in health related activities.

3.12 Public Education

The Fund continued to promote public awareness not only on health insurance, but also the importance of healthy lifestyles. The main aim of the Fund is to emphasize on prevention measures on both Communicable and Non-Communicable Diseases. On one hand, when the Fund's beneficiaries are prevented from contracting diseases, they have more time to dedicate in income generating activities leading to overall improvement of welfare. On the other, healthy beneficiaries mean less treatment costs to the Fund.



Health education and promotion was provided through mainstream and local media outlets, exhibitions such as *Nanenane*, *Wiki ya Vijana* and *Sabasaba* and the Fund's website. Social media also remains a strong communication channel of the Fund.

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NHIF participation during sabasaba Exhibitions

4. Main Challenges and Way Forward

The main challenges that faced the Fund included;

- i) Low public awareness which affects willingness of the majority of the public to join health insurance schemes;
- ii) Low incomes from the people which affects their ability to pay for health insurance;
- iii) Continued existence of fraudulent practices during utilization of the Fund's services;
- iv) Non-adherence to Standard Treatment Guidelines by service providers; and
- v) Rise in medical services costs especially due to the increase of burden of disease from non-communicable diseases.
- vi) Compulsory nature of joining the fund hence less people joining unless a lot of effort is exhausted in education provision.

4.1 Way Forward

The Management of the Fund is committed to increase efforts towards widening the Fund's membership size by promoting new products ('Vifurushi') released to the public at the end of November 2019. This will be done through undertaking more awareness campaigns and also keep on innovating more attractive means for members of the society to join the Fund.

The Fund also intends to institute more controls in containing expenditures on Benefits payments. The envisaged controls include IT related interventions, controls related to the benefit package and pricing, beneficiaries access to services as well as controls in administrative expenses. The Fund shall also enhance fraud detection and deterrence efforts in the Fund so as to keep expenditures especially on Benefits payments at acceptable levels, and ensure sustainability of the Fund. The Fund shall continue collaborating with stakeholders in the anti-fraud campaigns to institute more effective ways to fight against fraudulent practices;

The Fund shall strive towards ensuring all major risk indicators are at tolerable levels by implementing its Risk Management Plan and continue implementing the Fund's Business Continuity Plan. Income from investments shall be increased by diversifying the investment portfolio and scaling up loans to facilities. The Fund shall also continue striving towards maximum productivity of staff thereby bringing highest efficiency in operations

of the Fund by ensuring that staff have enough working tools, are properly trained and well-motivated in their areas of work. Roll-over of Quality Management Systems (QMS) to other Fund's offices so as to improve efficiency in the Fund's operations, will also remain an area of priority so as to ensure that our clients receive the best services



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DIRECTOR GENERAL

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