



INFLUENCE OF ORGANIZATIONAL RESTRUCTURING ON UTILIZATION OF OUTPATIENT INSURANCE SCHEMES OF HEALTH INSURANCE AGENCIES IN KENYA: A CASE OF NATIONAL HOSPITAL INSURANCE FUND

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ABSTRACT

The general objective of the study was to determine the influence of organizational restructuring on utilization of outpatient health insurance services of National Hospital Insurance Fund. A descriptive research design was adopted. The target population of this study was all the staff working with the NHIF in Kenya whereas the study population comprised a total of 85 staff working at the NHIF, Nairobi County. The Statistical Package for Social Sciences tool facilitated data analysis. Both descriptive and inferential statistics were employed in analysing quantitative data. The results of the analysis were presented in tables and were accompanied by relevant interpretations and discussions. It was established that management restructuring and operational restructuring had significant relationships with utilization of outpatient health insurance cover ($p < 0.05$). However, both financial and information system restructuring did not have significant correlation with utilization of the aforesaid cover ($p > 0.05$). It was further revealed that 26.1% of variance in utilization of outpatient health insurance cover could be explained by the investigated aspects of organizational restructuring. Restructuring of the NHIF management was established to be the most critical component of the entire organizational restructuring with regard to utilization of outpatient health insurance cover. The study concluded that the NHIF had restructured its board and also involved employees in decision making. It was inferred that NHIF had diversified service provision to subscribers. It was further concluded that the organization had instituted risk control measures and also enhanced accountability and transparency. Moreover, the organization had enhanced communication through information communication technology. It was recommended that NHIF should revisit management areas that needed restructuring in order to ensure that there is improved uptake and utilization of the outpatient health insurance cover. In addition, it was advisable for the organization to effect appropriate restructuring of the various key areas in order to enhance the foregoing utilization.

Key Words: Management Restructuring, Operational Restructuring, Financial Restructuring, Information System Restructuring, Health Insurance Services

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INTRODUCTION

The world is continuously changing and so organizations need to change in order to survive (Greenberg & Baron, 2002). During the last two decades, the public sector has come under increasing pressure to improve performance and demonstrate greater transparency and accountability. This pressure has resulted in public sector organizations facing shifts in ways of operating. Restructuring is an inherent characteristic of any organization. Organizations in the public or private sector must change to remain relevant. All change whether from internal or external sources, large or small, involves adopting new mindsets, processes, policies, practices and behavior (Kotler & Armstrong, 2006).

Governments globally focus on providing social health protection systems to address challenges related to providing access to health care services to their citizens, especially to the poor (Kondo & Shigeoka, 2013). The benefits of extending social protection in health include reducing financial barriers associated with access to health care services and protection from financial disaster and impoverishment related to health care expenditures. This has led to restructuring of medical insurance schemes. In Kenya there has been change in management at National Hospital Insurance Fund (NHIF) with an aim of increasing quality of service and improving uptake of insurance medical schemes provided by the government (Deloitte, 2011).

In Ghana, National Health Insurance Scheme (NHIS) was established under Act 650 of 2003 by the Government of Ghana. NHIS is mandated to provide a broad range of health care services to Ghanaians through district mutual and private health insurance schemes. One of the primary goals of Ghana's NHIS is to increase affordability and utilization of drugs and health services in general, and among the poor and most vulnerable populations. Indeed, it is noted that the number of outpatient visits per capita in Ghana increased sharply after reforms in NHIS 2005 which

led to restructuring of NHIS, adoption of technology and involvement of all the stakeholders (Witter & Garshong, 2011). In Tanzania, health insurance cover has been linearly increasing with increase in population. NHIF schemes for outpatient and inpatient care have also been on the rise (Ally, 2011).

The operating environment in which NHIF in Kenya operates is unpredictable. The mandate of NHIF includes, registering members, receiving fund contributions and payments, making payments out of the fund to declared hospitals, setting criteria for the declaration of hospitals and their accreditation, regulating contributions payable to the fund, the benefits and other payments made out to the fund through ICT, protecting the interests of fund contributors and advising the government on the national policy with regard to national health insurance (Deloitte, 2012). The fund discharges its mandate through two major agents that is employer's monthly contributions to the fund and declared hospitals that disperse medical services on credit of NHIF members and later receive reimbursements through hospital claims (Deloitte, 2012).

The National Hospital Insurance Fund (NHIF) is the oldest government insurance scheme in Africa. NHIF was set up in 1966 under Cap 255 of the Laws of Kenya as a department under the Ministry of Health. The Fund derives its mandate from the NHIF Act no. 9 of 1998. Its mandate is to provide access to quality and affordable health care for all Kenyans. NHIF membership is compulsory for all salaried employees. Premium contributions are calculated on a graduated scale based on income, and deducted automatically from payroll. Membership for self-employed and other informal sector workers is voluntary. Currently, the monthly contribution rates range from KSh. 500 to KSh. 1700 (Kenya Strategic Review, 2015). The organization currently covers both inpatient and out patients as a way of expanding its operations.

Statement of the Problem

Health care utilization has gained prominence on the global health policy agenda. Change in the environment has made medical insurance services schemes experience inefficiency in public health provision, an unacceptable low quality of public health services, and the resultant imposition of user charges are reflective of the state's inability to meet health care needs of the poor (World Bank, 2015). In Kenya, outpatient services programme that allows members to get treatment in selected hospitals without having to be admitted was launched in 2015. This has led to increase in the number of health centers where members can seek medical care and increase monthly contribution in an effort to increase utilization of outpatient medical service programme. NHIF has also embarked on transformation route to deliver on its mandate and improve utilization of medical insurance schemes. NHIF reforms led to introduction and upgrade of technology, change in policies and rules and organization restructuring and use of integrated communication modes to create awareness on change across all stakeholders. NHIF had its membership at 18% in 2011 invested approximately KSh.900 million in technology to enhance utilization of modern technologies in service delivery to its clients. The extent to which change management practices influence utilization of outpatient health scheme among the civil servants has not been determined (Deloitte, 2011). However, only 0.3% NHIF registration rate among the civil servant schemes taking outpatient medical scheme cover under NHIF. Despite being tipped as the cheapest scheme that could salvage the citizens against the ever-exorbitant medical expenses, the scheme has hitherto registered a few members below expectation of 15%. This motivated the undertaking of the study to determine whether organizational restructuring initiated and implemented at NHIF had a significant impact on utilization of outpatient medical insurance schemes among the civil servants in Nairobi County. This study, therefore, examined

whether organizational restructuring had a significant influence on utilization of NHIF outpatient health insurance scheme of health insurance agencies in Kenya.

General Objective

The general objective was to determine the influence of organizational restructuring on utilization of outpatient health insurance schemes of health insurance agencies in Kenya focusing on a case of the National Hospital Insurance Fund. The specific objectives were:-

- To establish the influence of management restructuring on utilization of outpatient health insurance services of National Hospital Insurance Fund
- To analyze the influence of operational restructuring on utilization of outpatient health insurance services of National Hospital Insurance Fund
- To examine the influence of financial restructuring on utilization of outpatient health insurance services of National Hospital Insurance Fund
- To evaluate the influence of information system restructuring on utilization of outpatient health insurance services of National Hospital Insurance Fund

LITERATURE REVIEW

Theoretical Framework

Resource Based Theory

The resource-based theory (RBT) assumes that resources, are heterogeneously distributed among firms and imperfectly mobile. The theory emphasizes the internal resources of the organization in formulating strategy to achieve a sustainable competitive advantage in its markets. Firms that possess and exploit resources and capabilities that are valuable and rare will attain a competitive advantage (Barney, 1991). Resource-based theory

seeks to delineate the set of market frictions that would lead to firm growth and sustainable economic rents (via isolating mechanisms).

Lifecycle Theory

The proponent of the theory was Modigliani and Brumberg (1980). According to life-cycle theory, change is imminent as the developing entity has within it an underlying form, logic, program, or code that regulates the process of change and moves the entity from a given point of departure towards a subsequent end that is prefigured in the present state (Koh, Dai, & Chang, 2012). It is one of the most common explanation theories in change management literature. It is a metaphor of organic growth to explain the development in an organization entity from its initiation to its termination. A firm grows and eventually matures while moving through different stages of the corporate lifecycle (Coetsee, 2002). Each of the stages differs from the other in terms of characteristics and firm structure.

Weick's Theory of Organizing

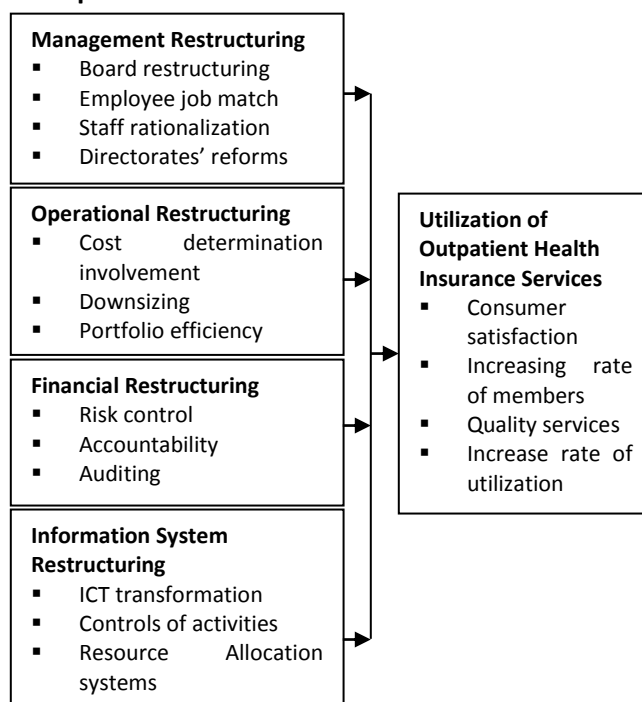
The proponent of Weick's theory was Weick in 1974 (Ashcraft, 2005). It is one of the sophisticated theories of organizational structure. It takes into account the high-stressed, fast-paced nature of today's business and reduces equivocality (Patching, 2000). Equivocality boils down to any inadequate of productivity due to an employee, on any level, having to check with superiors which is brought about by bureaucracy and unaligned organizational structure which greatly affect the management style of the organization (Ashcraft, 2005). In the Weick's model, there is an information system, which includes frequently and sometimes previously tackled issues (Harenstam, Bejerot, Leijon, Scheele & Waldenstrom, 2004). Employees have access to this information and use it to combat any ambivalence or inertia that might hinder making business decisions.

Burke-Litwin Theory

Burke-Litwin theory reveals various change models that management can use to implement changes in

their organizations. These models can assist not only in managing the changes happening in an organization, but can also help in anticipating and identifying possible key issues that are critical in managing change process (Gowing, Kraft & Quick, 2008). Burke-Litwin posts that the causal model has foundations rooted in Katz and Kahn's general systems theory (1992). This structure requires some definition of leadership that may create actions within an organization.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Source: Author (2019)

Empirical Review

Management Restructuring

There exists various forms of restructuring that are crucial to an organization. Management restructuring is one of the key areas that every organization should focus on. Davis and Holland (2002) describe management restructuring as the reorganization in

the leadership of the health insurance scheme which is necessitated by the changes that are presented by the provision of outpatient services under the insurance cover.

A study conducted by Wijngaarden, Scholten, Wijk (2012) sought to analyze the suitability of the SWOT (strengths, weaknesses, opportunities) in Netherlands. The study focused on strategy becoming an important management field for health care organizations in European countries and hence health managers introducing more and strategic principles and tools. The data was obtained using questionnaire and interviews using both internal and external analysis. The study found that management should be as rational as possible and tools and methods ought to be developed to support this.

Operational Restructuring

Similar to management restructuring, operations of an organization can also be restructured. According to Chemjor (2015), operational restructuring involves alteration of the way different activities and functions of an organization are handled. With regard to the NHIF, operational restructuring is in relation to delivery of outpatient services to individuals on the outpatient health insurance scheme. Part of the indicators parameterizing operational restructuring are cost determination, downsizing, and portfolio efficiency.

In Ghana, a study conducted by Awoonor-Williams, Tindana, Dalinjong, Nartey and Akazili (2016) analyzed the reforms of the key strategies towards achieving universal health coverage. The study focused on getting a better understanding of how Ghana's health insurance institutions interact with stakeholders and other health sector programs in promoting primary health care. The study involved interviews with various stakeholders. According to the study there was inadequate coordination among stakeholders in promoting health care and also

inadequate funding for promoting health care particularly on preventive and promotional services.

Financial Restructuring

According to Chee (2007), financial restructuring is a process that involves changing the financial requirements in respect of accessing medical services under the cover of the health insurance scheme. There are various parameters which characterize financial restructuring. These include accountability, risk control, and auditing among other indicators.

A study by Prinja, Chauhan, Karan, Kaur, Kumar (2017) analyzed the impact of publicly financed health insurance schemes on healthcare utilization and financial risk protection in India. The study focused on financial health insurance schemes on health service utilization, out-of-pocket (OOP) expenditure, financial risk protection and health status. Comprehensive computerized search was conducted to search for studies focusing on the study. In the study it was noted that there is need to invest in systems to monitor and evaluate implementation of health insurance schemes.

Information System Restructuring

Restructuring of information systems is defined as the transformation of various facets of information and communication technology with the object of ensuring accessibility of outpatient health services using the NHIF. Information systems restructuring involves several parameters, part of which include ICT transformation, control activities, and systems of resource allocation (Harenstam et al., 2004).

In a case study of health management information system, Lim (2012) analyzed the steps towards an effective health management information system in Lao People's Democratic Republic. The study was conducted to investigate and map the current business processes, workflows and information flows for the four health insurance schemes of Lao and hence provide a comprehensive reference framework. The study relied on interviews and site visit

observation of the health facilities. The study findings indicated that implementation of health management information system contributed towards developing a unified health information system to provide timely, high quality information for policy formulation, decision making, program implementation and all national and international health stakeholders.

Utilization of Outpatient Health Insurance Services

There are millions of people who are registered with the National Health Insurance Fund for both inpatient and outpatient health cover. However, the level of utilization of the aforementioned cover may vary. According to Leichter (2005), the extent to which patients registered with the respective insurance scheme seek outpatient health services under the cover of the insurance scheme is referred to as the utilization of the aforesaid services. The utilization of outpatient health insurance services is characterized by consumer satisfaction, quality services, and also rate of utilization.

A study carried out by Lotfi, Motlagh, Mahdavi, Keshavarz, Hadian and Gorji (2017) in Tehran, the capital of Iran investigated how health factors affect the utilization of outpatient health service and health insurance. The objective of the study was to identify major factors influencing demands and utilization of health services. The study adopted analytical research design. The study noted that predisposing factors such as gender, place of resident, occupation, and education level were the main hindrance for utilization of health service.

METHODOLOGY

This study adopted a descriptive research design. According to Cooper and Schindler (2003) a descriptive research design helps in collecting data in order to test hypotheses or answer questions concerning the current status of the subjects in the study. The target population in a research study comprised of all those potential participants that could make up a study group (Kothari, 2004). The

target population of this study was all the staff working with the NHIF in Kenya. The study used a self-designed, semi-structured questionnaire to collect primary data. The questionnaire was used because it guaranteed confidentiality as respondents act with confidence. The collected data were examined and checked for completeness and comprehensibility. The data was analyzed with the help of the SPSS Version 24.0. Quantitative data which were categorical in nature were analyzed through both descriptive and inferential statistics. Descriptive statistics included frequencies, percentages, means and standard deviations and frequency distribution was used to analyze the data. Inferential statistics included Pearson's Product Moments Correlation Coefficient (PPMCC) and regression analysis. Qualitative data were consolidated and interpreted and then analyzed through content analysis. The regression model illustrated below was applied.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Y represents utilization of outpatient health insurance schemes

β_0 represents Constant

$\beta_1 - \beta_4$ represent regression coefficients of independent variables

X_1 represents management restructuring

X_2 represents operational restructuring

X_3 represents financial restructuring

X_4 represents information system restructuring

ϵ represents standard error

FINDINGS

Descriptive Results and Discussion

The descriptive statistics showed how the participating general managers, finance managers, human resource managers, IT managers, and operation officers responded to statements in relation to management restructuring, operational restructuring, financial restructuring and information system restructuring at NHIF. The views of the respondents were on a 4-point Likert scale where

integers '1 to 4' represented 'strongly disagree, disagree, agree, and strongly agree' respectively.

Management Restructuring

The study analyzed the views of the selected staff working with NHIF with regard to management restructuring in their organization. A summary of their views was presented in Table 1.

Table 1: Descriptive Statistics for Management Restructuring

	N	SA	A	D	SD	Mean	Std. Dev
My organization has experienced rationalization of employees	68	11.8	88.2	0	0	3.12	.325
In my organization there is a good leadership structure	68	11.8	82.4	5.9	0	3.06	.419
In my organization employees are assigned jobs they qualify for	68	11.8	76.5	11.8	0	3.00	.489
My organization has undertaken directorate reforms	68	5.9	82.4	11.8	0	2.94	.419
My organization has restructured the board	68	0	70.6	23.5	5.9	2.65	.593
Employees are involved in decision making process	68	0	41.2	52.9	5.9	2.35	.593
Aggregate Mean						2.85	

The results shown in Table 1 indicated that all (100.0%) of the aforementioned managers and officers working with NHIF admitted that the organization had experienced rationalization of employees. Moreover, it was noted that majority (94.1%) agreed that in the organization, there was a good leadership structure. Only 5.9% of the surveyed managers and officers disagreed with the foretasted argument. In the same breadth, it was noted that 88.2% were in agreement that at the NHIF, employees were assigned jobs that they had qualified for. A significant number (11.8%) disputed the foregoing assertion. It was further established that most (88.2%) of the participating managers and officers admitted that the organization had undertaken directorate reforms. A total of 11.8%, however, disagreed with the said view. The study, in addition, ascertained that majority (94.1%) of the surveyed managers and officers working with NHIF agreed that the organization had restructured the board. However, 5.9% disagreed with the stated opinion. A total of 70.6% were in concurrence that employees were involved in decision making process while 29.4% disagreed with the notion.

Furthermore, it was generally agreed that the organization had experienced rationalization of employees (mean = 3.12) and that in the

organization, there was a good leadership structure (mean = 3.06). In respect to the said assertions, the views of the selected general managers, finance managers, human resource managers, IT managers, and operation officers were closely related (std dev < 1.000). It was further noted that the said staff working with NHIF admitted that in their organizations, employees were assigned jobs they qualified for (mean = 3.00) and that the organization had undertaken directorate reforms (mean = 2.94). Likewise, the surveyed staff displayed similar responses in respect of the stated arguments (std dev < 1.000). The study further ascertained that the staff averagely concurred that the organizations had restructured the board (mean = 2.65). Their opinions on the aforestated assertion were largely similar (std dev = 0.593). The participating staff, however, disputed that employees were involved in decision making process (mean = 2.35). In regard to this proposition, the staff held closely related views (std dev = 0.593).

The aggregate or overall mean (mean = 2.85) implied that in general terms, respondents were in agreement that there was management restructuring at the NHIF. This meant that majority of the surveyed staff admitted that such restructuring had been effected at the health insurance fund. These results

corroborated the recommendations made by a past study that there ought to be an urgent need to review the structure of the national health insurance scheme (Campbell et al., 2014). In addition, the results mirrored the findings of a past local study which indicated that it was important to change the functional structure of an organization in order to

enhance the effectiveness of its management (Obado, 2015).

Operational Restructuring

The study was interested in the responses of the participating staff in regard to operational restructuring at NHIF. Their views were analyzed and presented as shown in Table 2.

Table 2: Descriptive Statistics for Operational Restructuring

	N	SA	A	D	SD	Mean	Std. Dev
The company does audit quality to eliminate grafts	68	11.8	88.2	0	0	3.12	.325
My organization has diversified service provision to clients	68	11.8	88.2	0	0	3.12	.325
My organization has adopted turn around strategies	68	11.8	88.2	0	0	3.12	.325
My organization has been involved in cost determination of its products	68	11.8	82.4	5.9	0	3.06	.419
The organization has efficiency portfolio management	68	5.9	76.5	17.6	0	2.88	.474
The organization has been involved in large scale asset downsizing	68	0	58.8	41.2	0	2.59	.496
Aggregate Mean						2.97	

The study found that all of the surveyed staff (100.0%) were believed that the organization conducted audit quality in order to eliminate graft. It was also agreed by all the staff (100.0%) that the organization had diversified service provision to clients. Moreover, all the staff (100.0%) concurred that the organization had adopted turnaround strategies. Furthermore, most of the surveyed staff (94.1%) admitted that the organization had been involved in cost determination of its products. Only 5.9% disputed the stated proposition. The majority of the said staff (82.4%) were in agreement that the organization had efficient portfolio management. A total of 17.6% of the participating staff, however, disagreed with the foregoing view. It was also established that 58.8% of the selected staff agreed that the organization had been involved in large scale asset downsizing.

Moreover, the staff generally admitted that NHIF conducted quality audit to eliminate graft (mean = 3.12); and that the organization had diversified service provision to clients (mean = 3.12). The staff demonstrated closely related views in respect of the

foregoing arguments (std dev = 0.325). The study, in addition, found that the staff generally agreed that the organization had adopted turnaround strategies (mean = 3.12); and also, that it had been involved in cost determination of its products (mean = 3.06). Similarly, the staff's responses to the stated statements were closely related (std dev < 1.000). It was also noted that the participating staff concurred that the organization had efficient portfolio management (mean = 2.88); and that the organization had been involved in large scale asset downsizing (mean = 2.59). Moreover, it was noted that their views regarding the aforesaid assertions had no significant variation (std dev < 1.000).

The overall mean (mean = 2.97) revealed that, respondents generally agreed that the NHIF had carried out restructuring of its operations. These results were in support of the conclusions drawn by a study conducted by Chemjor (2015) that change management strategies adopted by the NHIF were crucial and essential with regard to ensuring enhanced quality of services delivered by the health insurance scheme.

Descriptive Results for Financial Restructuring

The opinions of the surveyed staff in relation to financial restructuring and in the context of NHIF

were put into perspective. The results are presented in Table 3 below.

Table 3: Descriptive Statistics for Financial Restructuring

	N	SA	A	D	SD	Mean	Std. Dev
Risk control measures have been instituted in my organization	68	11.8	88.2	0	0	3.12	.325
The organization has measures to enhance accountability and transparency	68	5.9	94.1	0	0	3.06	.237
The organization has cost cutting measures	68	5.9	82.4	11.8	0	2.94	.419
My organization has debt cutting measures	68	0	82.4	17.6	0	2.82	.384
The company has direct costs reductions	68	0	70.6	23.5	5.9	2.65	.593
Aggregate Mean						2.92	

According to the descriptive results illustrated in Table 3, it was revealed that all the staff (100.0%) concurred that risk control measures had been instituted in the organization. Additionally, all the participating staff (100.0%) admitted that the organization had laid down measures to enhance both accountability and transparency. The study further established that 88.2% of the staff agreed that the organization had cost-cutting measures. Nonetheless, 11.8% disagreed with this view. Though majority of the respondents (82.4%) agreed that the organization had put in place debt-cutting measures, a significant number (17.6%) disputed this assertion. It was further noted that most of the surveyed staff (70.6%) concurred that the company had direct costs reductions. However, 29.4% disputed this statement.

It was generally agreed that risk control measures had been instituted in NHIF (mean = 3.12); and that the organization had laid down measures to enhance accountability and transparency (mean = 3.06). The surveyed staff, in regard to the stated arguments held closely related opinions (std dev < 1.000). It was further ascertained that the organization had put in

place cost-cutting measures (mean = 2.94) and debt-cutting measures (mean = 2.82). The respondents exhibited minimal variation in their views regarding these propositions (std dev = 0.384). It was also generally admitted that the organization had reduced direct costs (mean = 2.65). Moreover, the study established that the staff had similar opinions in respect of the stated assertion (std dev = 0.593). The overall mean of 2.92 indicates that, the respondents were generally in agreement with all propositions regarding financial restructuring at NHIF. The need to restructure the financial aspects of the Fund such as the premium payable for the cover are in tandem with observations made in a previous study that majority of the people residing in informal settlement did not have the NHIF cover (Muketha, 2016). The major probability of the foregoing situation could have been unaffordability of the cover by ordinary citizens. Therefore, financial restructuring was a possible solution to this challenge.

Information System Restructuring

The descriptive findings for information system restructuring are illustrated in Table 4.

Table 4: Descriptive Statistics for Information System Restructuring

	N	SA	A	D	SD	Mean	Std. Dev
The company enhanced communication through ICT	68	11.8	88.2	0	0	3.12	.325

The implementation of information systems	68	11.8	88.2	0	0	3.12	.325
Automation of organizations operations	68	11.8	88.2	0	0	3.12	.325
The organization has innovative human resource practices	68	11.8	82.4	5.9	0	3.06	.419
The organization has resource allocation systems	68	11.8	76.5	11.8	0	3.00	.489
The company has innovative reproduction systems	68	5.9	88.2	0	5.9	2.94	.543
The company has embraced enterprise resource planning systems	68	0	82.4	17.6	0	2.82	.384
Aggregate Mean						3.03	

According to the descriptive results shown in Table 4, it is evident that all the surveyed staff (100.0%) agreed that the organization enhanced communication through information communication technology. In addition, all the staff (100.0%) admitted that the organization had implemented information systems. A similar number (100.0%) concurred that the organization had automated its operations. The majority of the staff (94.1%) were believed that NHIF had adopted innovative human resource practices. However, few staff (5.9%) held contrary opinions. It was further established that 88.2% of the participating staff concurred that the organization had put in place resource allocation systems. A total of 94.1% admitted that the organization had innovative reproduction systems. It was further ascertained that most of the surveyed staff (82.4%) admitted that the NHIF had embraced enterprise resource planning systems. The foregoing view was, however, disagreed by 17.6% of the surveyed staff.

The participating staff further admitted that the organization generally enhanced communication through information communication technology (mean = 3.12); and that it had implemented information systems (mean = 3.12). The foregoing opinions attracted similar responses from the surveyed staff (std dev < 1.000). Furthermore, it was averagely concurred that the NHIF had automated its operations (mean = 3.12); and that the organization had embraced innovative human resource management practices (mean = 3.06). The opinions of

the staff with regard to the foregoing assertion did not differ significantly (std dev < 1.000). It was also generally agreed that the organization had put in place resource allocation systems (mean = 3.00), and innovative reproduction systems (mean = 2.94). The study noted that the staff had closely related opinions in respect of these arguments (std dev < 1.000). Furthermore, the staff generally concurred that the NHIF had embraced enterprise resource planning systems (mean = 2.82). The staff exhibited similarity in their views regarding this assertion (std dev = 0.384).

In respect of restructuring of information systems within the NHIF, participants concurred with pertinent propositions as elucidated by the average results (mean = 3.03). Therefore, it was established that the Scheme had improved its communication via ICT through restructuring of its information systems. The importance of the aforesaid integration is in line with the views of Komakech (2013) that such a system supports entry of data, thus, enhancing patient management by tracking down their treatment progress.

Utilization of Outpatient Health Insurance Services

Lastly, the views of the general managers, finance managers, human resource managers, IT managers, and operation officers with regard to utilization of outpatient health insurance services were sought and analyzed. The pertinent results are presented in Table 5.

Table 5: Descriptive Statistics for Utilization of Outpatient Health Insurance Services

	N	SA	A	D	SD	Mean	Std. Dev
The uptake of the cover has increased substantially over the past one year	68	52.9	47.1	0	0	3.53	.503
There has been substantive increase in the utilization of the outpatient health insurance cover	68	47.1	52.9	0	0	3.47	.503
The utilization of the NHIF cover is commensurate to the uptake of the cover	68	29.4	58.8	11.8	0	3.18	.622
The consumer satisfaction index is significantly high	68	23.5	64.7	11.8	0	3.12	.587
The quality of outpatient health insurance services offered by the NHIF has largely remained the same over the past one year	68	17.6	58.8	23.5	0	2.94	.644
Aggregate Mean						3.25	

The descriptive results showed in Table 5 revealed that all the surveyed staff (100.0%) admitted that the uptake of the cover had increased substantially over the past one year. Moreover, a similar number of staff concurred that there had been substantive increase in the utilization of the outpatient health insurance cover. Furthermore, 88.2% of the participating staff agreed that the utilization of the NHIF cover was commensurate to the uptake of the cover. Nevertheless, 11.8% disputed this argument. It was, moreover, noted that most of the staff (88.2%) indicated that the consumer satisfaction index was significantly high. On that note, however, 11.2% of the staff disagreed. It was observed that 76.4% of the respondents admitted that the quality of outpatient health insurance services offered by the NHIF had largely remained the same over the past one year, with only 23.5% of them disputing the assertion.

The study further ascertained that the staff generally admitted that the uptake of the cover has increased substantially over the past one year (mean = 3.53); and that there had been substantive increase in the utilization of the outpatient health insurance cover (mean = 3.53). The staff opinions regarding the opinions were largely similar (std dev = 0.503).

Additionally, it was found that the surveyed staff concurred that utilization of the NHIF cover was commensurate to the uptake of the cover (mean = 3.18); and that the consumer satisfaction index was significantly high (mean = 3.12). Similarly, the staff held closely related views in respect of this proposition (std dev < 1.000). It was further noted that the participating staff were in general agreement that the quality of outpatient health insurance services offered by the NHIF had largely remained the same over the preceding year (mean = 2.94). The foregoing argument drew significantly similar responses from the surveyed staff (std dev = 0.644).

Moreover, it was revealed that, in respect of utilization of outpatient health services by the individuals under the NHIF cover, the respondents were generally in concurrence (mean = 3.25). This means, in spite of the quality of the NHIF remaining largely constant over the years, the uptake of the outpatient services had been on the rise and commensurate with the increase in the number of persons taking up the NHIF cover. The uptake of the cover was in the wake of rising cost of health services in Kenya as was found in a previous local study (Mwami, 2016).

Inferential Results

Table 6: Correlation between Management Restructuring and Utilization of Outpatient Health Insurance Cover

		Utilization of Outpatient Health Insurance Cover
Management Restructuring	Pearson Correlation	.462**
	Sig. (2-tailed)	.000
	N	68

** . Correlation is significant at the 0.01 level (2-tailed).

Table 7: Correlations between Operational Restructuring and Utilization of Outpatient Health Insurance Cover

		Utilization of Outpatient Health Insurance Cover
Operational Restructuring	Pearson Correlation	.314**
	Sig. (2-tailed)	.009
	N	68

** . Correlation is significant at the 0.01 level (2-tailed).

Table 8: Relationship between Financial Restructuring and Utilization of Outpatient Health Insurance Cover

		Utilization of Outpatient Health Insurance Cover
Financial Restructuring	Pearson Correlation	.199
	Sig. (2-tailed)	.103
	N	68

Table 9: Relationship between Information System Restructuring and Utilization of Outpatient Health Insurance Cover

		Utilization of Outpatient Health Insurance Cover
Information System Restructuring	Pearson Correlation	-.096
	Sig. (2-tailed)	.436
	N	68

Table 10: Regression Weights for Overall Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.552 ^a	.305	.261	.21028

A. Predictors: (Constant), Information System Restructuring, Operational Restructuring, Management Restructuring, Financial Restructuring

Table 11: Significance Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.224	4	.306	6.919	.000 ^a
	Residual	2.786	63	.044		

a. Predictors: (Constant), Management Restructuring, Operational Restructuring, Financial Restructuring, Information System Restructuring

b. Dependent Variable: Utilization of Outpatient Health Insurance Cover

Table 12: Results for Overall Model

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.707	.556		3.073	.003		
	Management Restructuring	.548	.134	.515	4.092	.000	.697	1.434
	Operational Restructuring	.275	.132	.232	2.079	.042	.883	1.133
	Financial Restructuring	-.109	.132	-.107	-.824	.413	.658	1.519
	Information System Restructuring	-.174	.116	-.166	-1.498	.139	.900	1.111

A. Dependent Variable: Utilization of Outpatient Health Insurance Cover

The regression model adopted was shown hereunder.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y denoted utilization of outpatient health insurance schemes

β_0 denoted Constant

$\beta_1 - \beta_4$ denoted beta coefficients of independent variables

X_1, X_2, X_3, X_4 denoted management restructuring, operational restructuring, financial restructuring and information system restructuring respectively

e denoted standard error

The above regression model was interpreted as illustrated below:

$$Y = 1.707 + 0.548X_1 + 0.275X_2 - 0.109X_3 - 0.174X_4$$

Interpretatively, a unit change in utilization of outpatient health insurance cover (Y) required 0.548 unit variation in management restructuring (X_1), 0.275 unit change in operational restructuring (X_2), -0.109 unit change in financial restructuring (X_3), and -

0.174 unit variation in information system restructuring (X_4) granted that other factors are held constant. In this respect, management restructuring was found to be the most crucial aspect of organizational restructuring with regard to utilization of outpatient health insurance cover. It was further revealed that the influence of management restructuring on utilization of outpatient health insurance cover was statistically significant ($t = 4.092$; $p < 0.05$). In addition, operational restructuring had statistically significant influence on utilization of outpatient health insurance cover ($t = 2.079$; $p < 0.05$). However, the influence of financial restructuring on utilization of outpatient health insurance cover was found not to be statistically significant ($t = -0.824$; $p > 0.05$). The influence of information system restructuring on utilization of outpatient health insurance cover was equally established not to be statistically significant ($t = -1.498$; $p > 0.05$). Among the components of organizational restructuring investigated, management restructuring was established to be the most important in ensuring utilization of outpatient

health insurance cover. These results departed from the observations made in a study conducted by Mwami (2016) which indicated that restructuring the financial system was likely to affect utilization of health care services in Kenya.

CONCLUSIONS

The study concluded that NHIF had good leadership structure where employees experienced rationalization. The study further concluded that employees were assigned the jobs that they qualified for. In addition, NHIF had undertaken directorate reforms, restructured the board and involved employees in decision making. Restructuring various areas of management was fundamental to utilization of outpatient health insurance cover.

It was inferred that NHIF had diversified service provision to subscribers. It also conducted audit quality to eliminate graft. NHIF adopted turn around strategies. It was involved in cost determination of products and large-scale asset downsizing. NHIF had efficient portfolio management. Operational restructuring would result into improved uptake and utilization of outpatient health insurance cover.

The study concluded that NHIF instituted risk control measures and enhanced accountability and transparency. It was further noted that NHIF instituted cost cutting and debt cutting measures. It also had direct costs reductions. Financial restructuring was likely to have a slight positive effect utilization of outpatient health insurance cover.

The study inferred that the NHIF had not only ensured implementation of information systems, but also improved communication through ICT. Also, it was concluded that the organization had automated its operations besides innovating its human resource practices. In addition, the insurance scheme had adopted ERP systems. The study further deduced that information system restructuring was not substantially important with regard to utilization of outpatient health insurance cover.

RECOMMENDATIONS

The study recommended that NHIF should revisit management areas that needed restructuring in order to ensure that there is improved uptake and utilization of the outpatient health insurance cover. An overhaul of specific management functions such as employee job description and design should be done with the intent of enhancing uptake and utilization of the cover.

It was further recommended that NHIF should uphold diversification of client services. Operational restructuring should be interlinked with management restructuring. Analysis of operations should be done in order to do away or restructure redundant operations that do not contribute to enhanced uptake and utilization of the cover.

In regard to financial restructuring, the study recommended that the organization ought to further enhance financial accountability and transparency. The organization could also look into viable projects that it could invest in in order to enhance its capital base and fulfill its mission in health-care provision.

Information systems are important for the smooth flow of organization operations. NHIF should ensure that its information system is robust enough to effectively and reliably cater for the needs of millions of principals and their dependents. It is also recommended that the adopted information system should be up-to-date, devoid of incessant breakdowns, and cost effective to the organization.

Areas of Further Research

It is suggested that it would be imperative to carry out further research in respect of utilization of outpatient health insurance cover in other health insurance schemes in Kenya besides the NHIF. This is founded on the fact that, while NHIF is virtually mandatory, particularly amongst the employed, taking up private insurance health covers is mostly considered a preserve for the well-to-do members of

the society. On the other hand, in-patient health cover is far more popular than out-patient health scheme. As such, it would be interesting to establish

the extent of utilization of outpatient health insurance cover provided by private insurance firms.

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