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Health Care Financing as a Strategy for Cash Management in Public Hospitals: A Case Study of Moi Teaching and Referral Hospital in Uasin Gishu County, Kenya

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Abstract:
Healthcare financing been met with increasing and imposing demands for better and improved management of public funds. The cost of healthcare in Kenya remains a problem with slightly over 40% of the households unable to access health due to monetary challenge. Healthcare for the populace has reduced due to under-financing of the health sector. Opposing arguments have cited problems in management of available funds as facing healthcare financing. The main intention of this research was to investigate the effect of healthcare financing on the cash management at Moi Teaching and Referral Hospital, Uasin Gishu County, Kenya. The study adopted an exploratory survey design of 43 Financial and health service experts from MTRH. The study utilized a sample size of 43 respondents applying census sampling. Interview schedules and questionnaires were employed as data collection instruments. The study established that equity financing was a method of cash management in public hospital. On healthcare cash management, private insurance provide finances to hospital; can be accessed by all patients however their funds are not reliable sources for paying user service charges. In relation to debt financing, the enquiry established that there was reduced allocation of funds by the government, government financed treatments provide efficient cash management to some extent and are adhered to a great extent. Concerning the suitable cash financing for use in referral Hospitals, the study established that there was a need of hospitals to plan and organize investments to facilitate more cash incomes for its operations. Hospitals should also upgrade audit systems to enable effective cash management and monitoring of cash practices in the Hospital. The study commended that since the hospital depends on the feasibility of the health care system financial accuracy of the Hospital should be emphasized. The study also recommended that more people should be encourage to take up Insurance and prepayment schemes, in addition to the existing National Hospital Insurance Fund since it cushion them toward out of pocket payment for hospital bills and improve revenue generation potential of the user fee programme of the Ministry of Health.

Keywords: *Health financing, equity financing, debt financing, cash management, public hospitals*

1. Introduction

Health-care financing should be impartial. In numerous evolving states such as Kenya, variations to health-care financing organisms are being executed as a means of providing impartial admittance to health attention with the intention of accomplishing Universal Health Coverage (UHC). According to Witter, Govender, Ravindan and Yates (2017), there are three sources of health financing in Kenya that include Out Of Pocket (OOP) payments, government expenditures and donor funding. Munge and Briggs (2014), on the other hand argued that there were four sources of health financing that included Direct and Indirect Taxes, Out Of Pocket Payment, contribution to Private Insurance and contribution to National Hospital Insurance Fund. According to Mossialos et al., (2002) there are five methods of health funding which comprises of taxation, social health insurance, voluntary and private insurance; out-of-pocket or cash-and-carry and donations. Out Of Pocket (OOP) payment is the most used method of healthcare financing. This has led to catastrophic spending to a level of impoverishing the family unit through sale of assets (Wangui, 2018); diversion of their scanty income into health care services; to even smuggling patients in bags risking their safety (Marita, 2019). This situation is magnified mostly in the informal sector because of scanty source of livelihood (Chuma & Okungu, 2017).

Health care financing has remained an increasing worry to various emerging nations in latest era. Granted that health funding is intended to shield formal and informal sectors, rural and urban locations, low and high income employees. However it comes with serious and also contested means in developing nations when it is pursued in the direction of devising, activating and bringing about operational health funding configurations. It remains held that finding a justifiable root of funding health care in the world has certainly turn into main subject for debate across the world's

dominant organizations and investors. The Joint nation and added groups and organs representing the regions of the world are mounting policies for justifiable health care funding. According to the World Health Organization (WHO), bucking suitable, viable, justifiable and operative health funding to develop health consequences is one in regard to breath taking utmost significant aims of the World Health Organization. The Management Panel from WHO along with the Fifty-eighth World Health Meeting accepted deliberated and conveyed premeditated guidelines on workable health backing, worldwide security and communal health insurance.

A study was conducted by Gesami (2000) on health care financing in Kenya with the aim of investigating the effect of cost-sharing on access to health care services in the hospitals. The study established that there was a negative effect on net cost-sharing in Kenya as a means of health financing. Another study by Munge and Briggs (2013) on progressivity of health care financing in Kenya concluded that Out Of Pocket payments were a barrier to accessibility to health care services. In the year 2017, another study on achieving Universal Health Coverage (UHC) through innovative financing by Chatterjee (2017), established that one millions Kenyan were driven to live below poverty line by health care related expenditures. The study highlighted that only 10% of the population has any form of insurance that is national and private insurance covers. This had contributed to increased use of out of pocket payment to cater for hospital bills in the country.
Cash management on the other indicator denotes to assemblage, deliberation and disbursement of assets. Cash management is a conjointly a vivacious source and the means by which the entities fortifies other resources. Cash management in hospitals therefore means the ability to procure assets, service debt, pay employees and control operations. Thus, effective cash management directly correlates with the entity's ability to realize its mission, goals, and objectives. Cash management is a series of processes used by an organization to acquire the thoroughgoing subsidy from its flow of cash funds(Barrett, 2009). Storkey (2003) delineates cash management as consuming the precise quantity of currency in the factual domicile and period to meet the régime's obligations in the most cost-effective technique. The Chartered Institute of Management Accountant (CIMA, 2002) pragmatic that, cash management is imperative in each corporate association as cash is said to be the life blood of any business. No business operation is isolative of cash management (Abioro, 2013).It encirclements the liquidity level; cash steadiness management as well as short strategies (Davidson, 2013). According to Pindado et al, (2013) management of cash is portion of working capital making valid the most advantageous elevation obligatory in an association. Pindado et al (2013) supplementary asserted that management of cash is of paramount significance for upcoming and founded businesses.

A description by Kane (2011) on the Medicare charge information and the restrictions of hospital accountability, bemoaned that monetary book keeping fundamentals in hospitals were unpredictable, poorly demarcated, and wanting in perilous element in utmost of the US hospitals. The enquiry recognized that cost report and audited financial statements revealed that there was antediluvian problems. The problems ranged from differences in reported profits; dissimilarities in the broadcasting of both incomes and expenditures; nonexistence of significant particulars, such as aid care, debauched debt, operational versus non-functional revenue, and conglomerate trades. All these resulted into inconsistent cash flow statements. Because of these problems, financial data give only a derisory and often erroneous image of the fiscal situation of hospitals. Hospitals around the world has been tormented from glitches interconnected to cash flow. This was accredited to nonexistence of periphery of security in occurrence of predictable overheads. This has led to them experiencingen counters in discovery modernization capitals.

Beranek (2011) conveyed that shabby flow of cash makes it rigid to lease as well as maintain virtuous staff in infirmaries. Cash management endeavor, amongst supplementary possessions, to condense the interlude and impact of those 'float' time. A collecting receipts counter nearer to the patient possibly through an external third-party agency (KCB) to collect, handle, and deposit the disbursement to client's bank account, is unique means to haste up the collections received. The efficiency of this process rest on the situation of the client; the scope and timetable of their expenditures. The establishment's manner of gathering disbursement; the charges of handling expenditures; the period of interruptions intricate for mailing, handling, and banking's; and the prevalent interest percentage that can be received on extra moneys. The utmost significant component in guaranteeing noble cash movement from clients, is instituting robust billing and collections practices.

Tam*et al.,* (2014) detailed that universally, there is an enormous disparity between financing and spending in the health sector. Poor countries bear the highest portion of the disparity due to increased sickness as well as its affliction as well as low funding of the health sector by the government. This make their spending the highest and their ability to finance the lowest since they are in possession of least wealth. In 2013, universal health spending stood at $3.2 trillion, which is almost 10% of Gross Domestic Product. Agreeing to Beranek (2011) there is scanty expenditure in low-income countries with majority of the patients employing out-of-pocket expenditure. This is utmost unfair way of financing since it smashes the underprivileged hardest while denying health security from disastrous sickness. Public stake of the entire expenses in health changes by means of the income class: public portion is 29% in countries with low-income, 42% in countries with lower middle-income, 56% in nations with upper-middle-income, and 65% in high-income countries. Public health insurance institutes form actual partial basis of health care expenditure in countries with low-income (Beranek, 2011). They account for some 2%ofwholeexpenses on health in countries with low-income, 15% in nations with lower middle-income and 30% in nations with upper middle-income as well as high-income.

Leighton (2014) conveyed that in Africa, healthcare financing is very imperative for utmost regimes. Health care financing emphasis on costs containing in developing countries. The growing claim to enhance health care have aggravated reforms on health care financing to a point governments, faces challenges of reduced funds and fail to respect its conventional pledge of provision of free health-care (Vogel, 2014).In Sub-Sahara Africa Vogel (2011) classified financing of health reforms into three categories. This classification encompasses of raising proceeds by means of cost recovery system for example user charges, financing by means of community-based social; improvement of allocation as

well as management of accessible resources of health and increase the roles played by private sectors in the largely governmental health schemes. With scarce as well swaying financial funding from the government in the healthcare management, several states have concerted their reforms on health financing mainly on the primary strategy that is nurturing proceeds by cost recovery system (Langenbrunner *et al*., 2012). As of the year 2013, over nineteen African countries embarked on reforms on health sector cost recovery, these countries include Malawi, Ghana, Namibia, Lesotho, Zambia and Mozambique. The raising of revenue has been theirkeyobjective (Lavy &Germain, 2014). Cost recovery would be helpful putting in mind raised revenue, its budget for planned purposes as well as the impact of its use.

The World Bank (2013) mentioned that odds of achievement of cost recovery in sub-Saharan African countries could be enriched through introducing charge. This would be achieved along with improvements of quality, particularly guaranteeing avail ability of drug and plugging fee revenues back to improvements of quality satisfying the patients as well as keeping them coming back. Establishment of apparent cost revival points, knowing the patient's claim as well as use designs, and procedures to shield expenses of care to the poor. The accessibility to government health plans or social support programmers is influenced by the design fee arrangement to encourage competent utilization of cash management foremost at the lowest fitting point, emphasize suitable referral guidelines, in addition to encourage employment of cost-effective and precautionary concerto avoid ordinary snares such as flaws in keeping fees up-to-date and failing on collection from government for cash management made (Leighton, 2014).However, cost recovery might hamper admission to health care for the deprived in particular. This is because underprivilegedfa milies lack money and are less likely to have a loan or retail off property for money in order to pay for health care (Nolan &Turbat, 2013).

In 2013/14 the Kenya Commission of Public Hospitals Accounts monitored how well it had implemented the forty-six recommendations made in the 2013 cash handling report. These Hospitals provided an analysis of information which led to cash management in public Hospitals policy (Commission of Public Hospitals report, 2013). Cash management as forwarded by Palom (2012) argued and indicated that it is possible/practical to persuade debtors into paying swiftly through giving discount for previous payments. To progress management of cash effectively and facilitate extra accessibility to cash, the company may make use of this as a solution. The purpose of management of cash is to amass accounts receivables as fast as possible while keeping sales or offering cash management from high pressure collection techniques (Gitman, 2014). In Kenya, access to healthcare for individuals and households is determined by the amount of financing they can afford. This means therefore that those who cannot afford the basic healthcare are constrained by the cost of healthcare management. The level of care provided will depend on the amount of financing they have in hand to access this service. Healthcare in Kenya is split by coverage system, with the deprived and susceptible largely being barred.

Subsequently, the disintegration of health financing systems also enables inefficiencies in provision ofservice andsavings. There are a set of challenge existing relating to health organizations well as issues with the civic governance; important among these are the deficiency of an efficient eminence assurance mechanisms well as unproductive corporate ascendancy and accountability mechanisms leading toa mistrust in Kenyan health financing institutions. Kenya therefore faces these three sets of key challenges in health financing. All areas need to be addressed urgently to make significant progress towards UHC (ROK, 2014). Healthcare financing has in history been met with ever increasing and imposing demands for the need for better and improved management of public funds. The World Health Organization (WHO) states that effective principle about financing of health is to avail funds, while setting the correct financial inducement for the providers, and ensure that all persons access an efficient public health and also in private healthcare (WHO, 2014). At Moi Teaching and Referral Hospital, expressive budget trend since the last three years has been increasing at a rate 25% from Kshs 4.4 billion to Kshs. 5.5 billion, with internal generated funds (cost sharing) cash collected from patients and rendering of services from ksh1.231 billion to Ksh.2.3 billion an increase of 87% in the same period. The gap for the funding to meet the daily operation of the Hospital has necessitated the need for this study (Source: Office of Auditor General Reports, 2014-2018)

The United Nation and more consortiums and organs in lieu of the continents of the world are building up policies for justifiable funding of the health care (Mossialos et al., 2013). Amplified pressures on finances on Hospitals emanated the significance of working capital management, (the managing of current assets as well as current liabilities, considering Hospitals' productivity). Well-organized working capital management permits Hospitals shrink the holding of current assets, for example stock and outstanding invoices, not earning any interest while requiring financing with short-term debt. The ensuing inflows of cash should be re-invested on interest-earning financial tools or employed to decrease short-term borrowing, and hence will improve the ability of the organization to be profitable.

A study by Kenya National Bureau of Statistics conducted in 2012 revealed that for every 100,000 people in Kenya, there are 19 Doctors, 2 dentists, 8 pharmacists, 3 Bachelor of Science nurses and 83 a total of registered nurses. Most of these healthcare personnel are based in major cities, mainly Nairobi and Mombasa with virtually no staff in the remote areas (Kenya Facts and figures 2012.) In Kenya, programmers and healthcare are being financed from three key sources: the government, the private sector and Non-Governmental Organizations (NGOs). The Kenya Human Development Report (2012) mentioned that the financing by the government of health spending was over 58% of the requisite in providing minimum health cash management; consequently, meaning that the healthcare provision in Kenya is underfunded. This is emphasized by ineptitude of the structure, together with the lack of cost efficiency in cash management. Obonyo et al (2012) detailed that the government funds 50%, while private payments, that is insurance and out of pockets finances 42% while NGOs, donors, missions and other foundations finances 6% of recurring healthcare expenses. Over the historical period, actual financing distributions to the public segment has dropped or stayed stable. Evaluations of public expenditures and budgets in Kenya display that entire health expenditure comprise about 8 percent of the entire government spending and that recurring expenditures have remained steadily greater than the development

expenditures, equally in complete conditions, along with a proportion from the GDP. Per capita total health expenditure stands at nearlyKsh. 500 (US$6.2), far beneath the suggested level of US$34 per capita. The per capita spending drop short of the Government of Kenya's pledge to consume 15 percent of its entire budget on health, as decided in the Abuja Pronouncement. The under-financing of the health segment has so condensed its capability to certify a suitable level of service delivery to the populace. Health care financing has turn into a worldwide task to entirely nations and all people. The capacity of state governments to offer finance for health care plus to withstand the financing is a massive obligation, Kenya and more so MTRH, is no exemption. Fresh and inventive methods are being established by Governments all over the world to guarantee that elementary health care is offered to all at reasonable fees and is unbiased. It is against this backdrop that the study was conducted to investigate the effect of health financing on cash management in public hospitals; a case of MTRH Uasin Gishu County, Kenya.

1.1. Statement of the Problem

Kenya faces a challenge of inadequate monetary resources for supporting its rising demand for health services. An editorial of 30th June 2014 of the daily standard accounted cash shortage being responsible for the growing woes in health in Kenya. It was noted by the Ministry of Health that the allocation by the government to healthcare expenses has increased over the years, at a constant rate of 5%. However, the funds were not sufficient to accommodate the rising claim of healthcare delivery, leading to the worsen state of healthcare pointers in the country. The threat then as witnessed is the inadequacy in public healthcare spending leading to increased costs in cash management with time, and therefore, weakening the ability to sustain financing of healthcare and hence decreased level of access by all the citizens. However, inadequate cash management practices among the hospitals has led to slow rate of service delivery, accompanied with regular strikes of employees, insufficient medicines and other basic equipment for use in hospitals and employee strikes which are all linked to management of funds.Therefore, there is call for filling the knowledge gap in Kenya while identifying an excellent ground for the makers of policies to efficiently, sufficiently and fairly finance health care schemes in Kenya

Cash management is indispensablesince there are incongruities between the timing of expenditures and the obtainability of cash. Even if the annual budget is well-adjusted, with convincing revenue and expenditure estimates, in-year budget execution will not be smooth, since both the timing and seasonality of cash inflows and of expenditures can result in conditions of temporary cash surpluses or temporary cash shortfalls (Lienert, 2013). However, studies have noted that cash shortage is a chronic challenge to most firms, and yet cash management is very crucial to the survival and growth hospital (Attom, 2014). It has also been observed that many hospitals have maintained large cash reserves and liquidity positions within their investment portfolios in an effort to partially accommodate unforeseen expenditure (SEI, 2012). Inadequate cash management practices among the hospitals has led to slow rate of service delivery, accompanied with regular strikes of employees, insufficient medicines and other basic equipment for use in hospitals and employee strikes are all linked to management of funds within public hospitals. Lobel (2013) found out that improper accounts preparation and inadequate cash management procedure were some of the major challenges facing organizations leading to close up of the enterprises. It is for this reason that the study seeks to determine the effects of cash management practices on operational performance of public hospitals.

Healthcare cost remains a significant setback with 40.5% of households unable to access healthcare due to lack of adequate financial (Durairaj*et al.*, 2014). The health sector has been under financed and hence has abridged its capability to ensure satisfactory diligently of healthcare for the populace (WHO, 2012). Opposing arguments have cited problems in management of available funds as an even greater problem facing financing. The Kenyan Government has over the years managed to assign about four to seven percent of the national funds to finance medical care. This is despite the revenue generated by individual Hospitals (Deming, 2011). Cases of poor funds/cash management all the way from the planning department and finance department have resulted in cash shortages. Challenges in managing cash flows, financial planning and investments make it very difficult for Hospitals to properly operate (Standard Newspaper, 10th May 2017). This has been witnessed by the poor state and shortage of medical facilities, understaffing, lack of medication and long queues in public Hospitals. It is therefore, beside this backdrop that the study will pursue to investigate health care financing and its effect on the cash management at MTRH.

1.2. Research Objectives

- To determine the effect of equity financing on cash management at Moi Teaching Referral Hospital.
- To assess the extent to which debt financing affect cash management at Moi Teaching Referral Hospitals.
- To determine suitable cash financing for use in referral Hospitals in Kenya.

1.3. Research Questions

- How does equity financing affect the cash management at Moi Teaching Referral Hospital?
- To what extent does debt financing affect the cash management Moi Teaching Referral Hospital?
- What are the suitable cash financing for use in referral Hospitals in Kenya?

1.4. Theoretical Framework

The study would be modeled in the Economic Theory advanced by Allay Williams. Demand as well as supply of resources in health care is studied by the economics of health care field, that is, resources allot mention a specific health-care scheme (Woolhandler, 2012). A major issues hoping health care delivery is the ever emerging system for supporting

and reimbursing the services in the health care. Obtained services as well as the means to distributing these services remain deeply swayed by the way health care is financed (Evans, 2013). Patients, providers of health care as well as third-party payers are the main players in the health care market (Nicholson, 2013). Consumers or patients according to the principles of economic theory, seek on the demand side maximization of their satisfaction, influenced largely by medical services consumption as well as care quality. The health care providers' supply side seeks profit maximization. Managing the risks financially coming with the buying of health care, the third-party payers seeks at reducing costs as well as control for budgets (Wool handler, 2012).

Healthcare schemes are grouped to four categories in the countries considered industrialized, they are; national health insurance (NHI), traditional sickness insurance, national health cash management (NHS), and mixed. From an economics viewpoint, the fundamental dissimilarity amongst these health care schemes is how financial risks are spread between the purchaser of health care, the provider of care, and the insurer. Germany is an example of a health care system distinguished by the socialized health insurance program and sickness funds. Roughly 88% of Germans have social health insurance, 10% having private insurance, and the remaining 2% are protected by public programs. (Kimalu et al, 2012). The German arrangement is founded on government sponsored funding by employers as well as employees. The sickness financing is funded by contributions from employers and employees agreeing to a proportion of received earnings. Treatment of employees by a sickness fund expands to all dependent family members. The sickness coffers discuss compensation amounts with the individual Hospitals and the association of the insurance physicians. Ambulatory care is delivered by fee-for-service, office-based physicians. Hospitals are remunerated at fixed fees (Kinyanjui, 2014). The theory is relevant to present study is that shaping health care delivery is the ever emerging system for supporting and reimbursing the services in the health care. Financing healthcare in MTRH can help consumers obtain healthcare services cost effectively thus reducing expenditure on healthcare. Also government healthcare financing (equity financing, debt financing and revenue financing) will enable the Hospital manage its finances.

1.5. Conceptual Framework

The study was established on the following conceptual framework; the dependent variable was cash management, while the

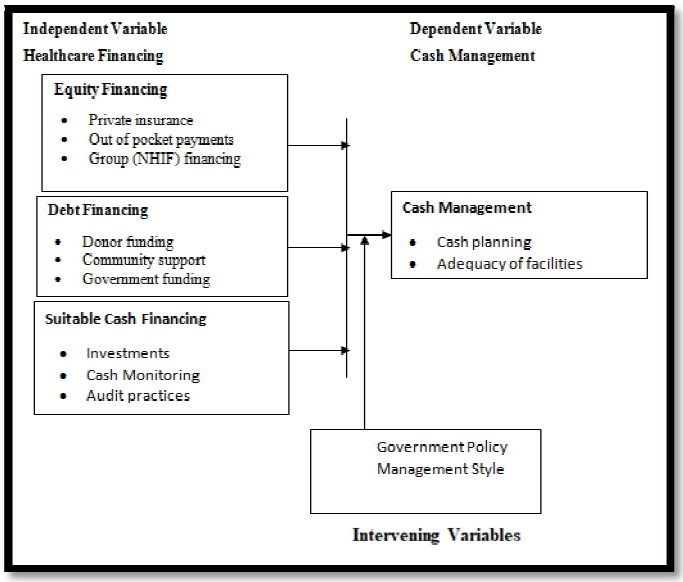

Figure 1: Conceptual Framework
Source: Researcher (2019)

2. Research Methodology

2.1. Research Design

Mugenda, (2003) chronicled that research design is a stratagem that laboring in accumulating and scrutinizing the informationplacid. The stratagembids anedifice to guide the investigator in organizing the enquirytools and deliversguiding principle of administering the tools in the array of study. An exploratory probe design was designated for this enquiry. It is the preliminary enquiry into a hypothetical idea. Here asleuth has an idea and seeks to comprehend more about it. An exploratory research project is an effort to lay the foundation leading to future studies, or determines if whatever is being observed would be made clear by a currently existing theory (Kombo& Tromp, 2011), the drawback was overwhelmed by selecting foremost and demonstrative foci for enquiry. The enquiry employed both the qualitative as well as the quantitative approaches.

2.2. Target Population

Target population is the precise populace from which data is needed. Ngechu, 2013 mentioned a population may be described as set of people, cash management, occasions, elements and cluster of stuffs or families being studied. The population under the study were Directorate Finance, Heads of departments and Private Wing Advisory committee. The National Referral Hospital has different financing strategies which the study will obtain information on from the targeted respondents. The study will target Director Finance, Finance Manager, Deputy Finance Manager, Chief Accountant, Senior Accountants, Accountant 1, Heads of Departments and Private Wing Advisory Committee. The study believes that the target populations are the expert in cash management and supervising health services provision in the Hospital.

2.3. Sampling Size and Sampling Technique

OsoandOnen (2012), mentioned that a sample could be part of the target populace selectedprocedurally to be used on its behalf it. The study used census because the population under studywassmall as it consisted of Director Finance, Finance Manager, Deputy Finance Manager, Chief Accountant, Senior Accountants, Accountant 1, Heads of Departments and Private Wing Advisory Committee from MTRH. The study used census approachin which all 43 persons in the target population were involved in the study.

2.4. Data Collection Instruments

This study utilized both the primary along with the secondary data. The researcher intends to collect the primary data using the closed and open ended questionnaires and structured interviews that were self-administered. Kothari (2013) mentioned that primary data includes information freshly acquired for the first from data sheets and reports. The study utilized structured questionnaires to collect the needed data from the targetpopulation (Cooper, 2013). The questionnaire was divided into two portions; the first portion covered the background information of the respondents while the second section covered the objectives of the study. The questionnaire presented general questions to both groups of respondents. This process was chosen as it allowed the researcher to obtain much information in a small space of time. Anonymity of respondents was also ensured using the instrument as their identities werenot needed. They were able to read as well as figure out the questions on the questionnaire (Krueger, 2011). Questionnaires were issued to Chief Accountant, the Heads of Departments, Accountants, and Members of Private Wing Advisory Committee. The researcher used interviews as a tool for data collection. Interview falls under a qualitative research method. The approach aimed at ensuring each interview was presented with exact same questions in the very same order. The interview schedules were usedto collect information from Director Finance, Finance Manager, Deputy Finance Manager, Chief Accountant, Senior Accountants, Accountant 1, Heads of Departments and Private Wing Advisory Committee. Sampling technique used by the researcher was purposive sampling to select the key informants who are Financial and health service experts; they provided insight information on healthcare financing and cash management. The interviews were conducted by the use of field notes and the study used both ask questions and scribe.

2.5. Data Analysis and Presentation

The researcher analyzed the data gathered from the questionnaires by means of the descriptive statistics and with the aid of data analysis software -Statistical Package for Social Sciences (SPSS) package version 25. This is because it presents broad data management competencies with many statistical analysis sequences able to examine minor to precisely enormous statistical data (Muijis, 2013). The analysis used descriptive statistics, both the quantitative and qualitative so as to achieve the objectives of the study. The data was scrutinized and displayed in form of tables, frequencies and percentages. The study intended to adopt both the quantitative and qualitative analysis so as to accomplish the purpose of the study. Data from interviews was analyzed thematically.

3. Research Findings and Discussions

3.1. Effects of Equity Financing on Healthcare Cash Management at MTRH

The respondents were requested to show the degree to which equity financing affected healthcare cash management at MTRH. The range was from strongly agreed which was represented by five to strongly disagree which was denoted by 1. The variables 5 = strongly agree; 4 = agree; 3= neutral; 2 = disagree; 1 = strongly disagree. The results were presented in Table 1.

Statement	5	4	3	2	1
There are many finances from private insurance to the Hospital.	10%	60%	20%	10%	20%
Private insurance sources can be accessed by all patients	30%	40%	20%	10%	-
Private insurance funds are reliable sources for paying user service charges	30	40%	20%	10%	-
Private insurance only care for the user service charges	25%	45%	30%	-	-
Out of pocket payments enable provider efficient cash management	20%	30%	50%	-	-

Table 1: Effects of Equity Financing on Healthcare Cash Management at MTRH
Source: Field Data (2019)

The study showed that there are many finances from private insurance to the Hospital with 60% agreeing with the statement; private insurance sources can be accessed by all patients as agreed upon with 40%. Further private insurance funds are reliable sources for paying user service charges with 40% of the respondents agreeing with the statement, 45% of the respondents agreed with the statement that private insurance only care for the user service charges and lastly 30% of the respondents did agree with the statement that out of pocket payments enable provider efficient cash management. Out-of-pocket payment is inequitable and inefficient in financing healthcare services. This has negatively impacted on utilization of healthcare services in Kenya). As asserted by Mathauer, Schmidt &Wenyaa (2008) the amount of Out-of-pocket spending on healthcare in Kenya remains high. Currently, 26.6 percent of total health expenditure in Kenya is out-of- pocket. This leads a lot of people into poverty and posing a barrier to access to healthcare since it drives the poorer households easily into poverty.

Equity financing are funds received by the hospital from; Private insurance, Out-of-pocket payments (cash payments), and Group NHIF financing to cater for various services provided to the patients by the hospital. Equity and health care financing at present dictate strategy agendas universally. Governments as well as global organizations are acknowledging that impartial health schemes are indispensable to attaining millennium health connected expansion objectives, that funding advances are significant to ensure good performance of whichever health structure as well as achieving general coverage. Therefore, several low-income countries, Kenya included, are bearing in mind ways of improving their systems of health financing in ways promoting fairness as well as effectiveness (Obonyoet al, 2012).

Impartial financing of health necessitates payments of health-care be made on the foundation of the capacity of paying; and the availability of monetary protection, ensuring everybody needing health cash management has the ability of accessing them devoid of placing citizens in danger of financial disaster as well as the existence of risk and also income cross subsidies (Obonyoet al, 2012).

Universal Health Care (UHC) indicate that all individuals and groups can use the conducive, protective, corrective, reformative and curative health services they require, of adequate excellence to be operative, but also safeguarding that the usage of these services does not parade the user to financial adversity. UHC remains one of the crucial worldwide health services they require minus suffering monetary adversity while paying for them.

The Constitution of Kenya (COK, 2010) through Bill of Rights identifies health as a primary right and charge the health segment with the duty to visualize this right. The same is secured in policy papers such as Vision 2030 and the Kenya Health Policy 2015-2030 which wish to deliver reasonable and cost effective health care of the uppermost standards to Kenyans.

In order to get this Government Pledge, Moi Teaching and Referral Hospital (MTRH) has mainstream its operation through the New MTRH 2017-2022 Strategy. The Hospital has been walking this journey towards attainment of Universal Health Coverage (UHC) through addressing the three (3) key issues of UHC; Population Coverage, Access to Quality Healthcare Services and Cost (Financial) protection. MTRH financial statement 30/06/18.

Consuming high medical requirements, or living at high exposure of requiring medical care, lessens a person's existing financial plan established. Therefore, the government could desire to restructure resources amongst persons using same money returns. In run through, the reallocation from healthy to sick is frequently tried by asserting identical charges for health amenities and for health insurance crosswise personalities. Paying for identical fees for consultant appointments is by the way not alterable if the ailing need to visit the consultant periodically than the healthy (Jack, 2000). Under other conditions, due to health dangers besides earnings differences crosswise the populace, régimes could desire to devise a diversified public/ private scheme of insurance whereby the government supports or sanctions a likely balanced base of insurance, then people are allowed to add up their part by means of private acquisitions. For example, Besley and Coate (2011) has revealed that public delivery of insurance could be utilized as a rearrangement gadget as long as people have entree to supplemental private treatment.

3.2. Effect of Debt Financing on Healthcare Cash Management at MTRH

The respondents were invited to specify their level of approval on effects of debt financing on healthcare cash management in the Hospital. The study findings were as presented in Table 2.

Statement	5	4	3	2	1
There are increased funds for health care in the budget allocations	10%	40%	30%	20%	20%
The government has allocated enough funds for healthcare provision	5%	30%	5%	60%	-
Allocated funds by the government have improved healthcare provision	-	70%	10%	20%	-
Government financed treatments enable provide efficient cash management	20%	40%	40%	-	-
Government financed treatments are adhered to in the Hospital	15%	40%	45%	-	-

Table 2: Effect of Debt Financing on Healthcare Cash Management at MTRH
Source: Field Data (2019)

Table 2 displays that 16 respondents representing 40% agreed with the statement that there are increased funds for health care in the budget allocations and 30% were neutral. On the other hand, (60%) of the respondents differed by the statement that the government has allocated enough funds for healthcare provision and 30% of the respondents agreed. Further, 28 respondents who represented 70% of the respondents were in agreement with the statement that the allocated funds by the government have improved healthcare provision as (20%) of the respondents were undecided. It was also established (40%) of the respondents agreed with the statement that government financed treatments enable provider efficient cash management.

WHO (2013) indicated that diverse health systems classifies Hospitals as well as services rendered in a different way. Mills (2011) evaluated assesses published statistics on spending patterns in Hospital in developing countries. Kutzin and Barnum (2013) provided a broad analysis of spending on Hospital cash management in numeral countries still developing. These examinations are the mainly authoritative estimation of the section of government health spending engrossed by secondary and tertiary Hospitals, although the data represents only few countries at diverse times.

According to Mills (2011), developing countries' Hospitals absorb 30-50% of total health spending. Government Hospitals absorb some 50-60% of government health spending, and secondary and tertiary Hospitals are over 60-80% of the spending in government Hospital. Thomas and Muirhead (2011) found that in South Africa tertiary Hospitals accounts for over 27% of spending in Hospital and over 16% of total spending in government health.

3.3. Suitable Cash Financing for use in Referral Hospitals

The study sought to determine suitable cash financing for use in referral Hospitals and the findings of this item were as follows.

Statement	SA	A	U	D	SD	Mean
The Hospital should plan and organize on investments to facilitate more cash incomes for its operations	16(40%)	20(50%)	4(10%)	0(0%)	0(0%)	3.926
Investment is the main cash management strategy the Hospital can adopt	20(50%)	12(30%)	2(5%)	4(10%)	2(5%)	4.648
The Hospital should upgrade audit systems to enable effective cash management	22(55%)	16(40%)	0(0%)	2(5%)	0(0%)	4.759
Monitoring of cash practices in the Hospital is the main determinant of effective cash management in the Hospital	18(45%)	12(30%)	2(5%)	4(10%)	4(10%)	4.574

Table 3: Suitable Cash Financing for use in Referral Hospitals
Source: Field Data (2019)

Regarding the suitable cash financing for use in referral Hospitals, somewhat more than half of the respondents (50%) agreed with the statement that the Hospital should plan and organize on investments to facilitate more cash incomes for its operations and 40% strongly agreed with the statement. Half of the respondents (50%) strongly agreed with the statement that investment is the main cash management strategy the Hospital can adopt as 30% of the respondents did agree with the statement.

On the other hand, 55% of the respondents strongly agreed with the statement that the Hospital should upgrade audit systems to enable effective cash management and 40% did agree with the same. Finally, 45% of the respondents strongly agreed with the statement that monitoring of cash practices in the Hospital is the main determinant of effective cash management in the Hospital while 30% agreed with the statement. The findings concur with WHO (2013) that

indicated that diverse health systems classifies Hospitals as well as services rendered in a different way. Mills (2011) evaluated assesses published statistics on spending patterns in Hospital in developing countries. Kutzin and Barnum (2013) provided a broad analysis of spending on Hospital cash management in numeral countries still developing. These examinations are the mainly authoritative estimation of the section of government health spending engrossed by secondary and tertiary Hospitals, although the data represents only few countries at diverse times.

The usage of ICT in Health care is befitting extra vigorous in Kenya. MTRH has embraced usage of Telemedicine not only to back service delivery within the Hospital, but furthermore to institute connections and partnership with advanced global Hospitalsoverseas. MTRH has likewise incorporated use of Integrated Health Management Information System (I-HMIS), use of Mobile money (M-PESA) and Agency Banking as a means of payment and keeping track of clients 'payments. Mobile cash has not only boosted security effectiveness of money transmission but also enhanced Revenue collection.

3.4. Conclusions

Established on the outcomes, the study made the ensuing decisions.On the effect of equity financing on healthcare cash management, the study concluded that there are many finances from private insurance to the Hospital, private insurance sources can be accessed by all patients, private insurance funds are not reliable sources for paying user service charges, private insurance do not only care for the user service charges and that out of pocket payments enable or provide effective cash management.

The study concluded that there are no increased funds for health care in the budget allocations, the government has not allocated enough funds for healthcare provision, allocated funds by the government have improved healthcare provision, government financed treatments enable provider efficient cash management to some extent and that to a great extent, government financed treatments are adhered to in the Hospital.

Concerning the suitable cash financing for use in referral Hospitals, the study concluded the Hospital should plan and organize on investments to facilitate more cash incomes for its operations, investment is the main cash management strategy the Hospital can adopt, the Hospital should upgrade audit systems to enable effective cash management and monitoring of cash practices in the Hospital is the main determinant of effective cash management in the Hospital.

3.5. Recommendations

Built on the outcomes and inferences, the study recommends that:

Although single annual payments ease collection premiums, they may reduce enrolment particularly for households that does not receive lump sum incomes; suggesting that the management team in consultation with members explore the possibility of spreading premium payments on a need basis.

The capability of the health care system depends on the financial reliability of the Hospitals, which symbolize the source of the system. Capable and strong financial management of Hospitals is essential towards that end. The hospital need to be more sustainable as they are more accountable to the donors and management are able to take corrective measures to address any financial challenges that they might face.

Insurance and prepayment schemes, in addition to the existing National Hospital Insurance Fund (NHIF), if developed, will counteract the effect of fees on use of services, and in addition improve the revenue generation potential of the user fee programme of the Ministry of Health.

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