

EXPLANATORY MEMORANDUM

EXPLANATORY MEMORANDUM FOR THE PUBLIC FINANCE MANAGEMENT (PUBLIC OFFICERS MEDICAL SCHEME FUND) (AMENDMENT) REGULATIONS, 2025

PART I

- Name of instrument:** Public Finance Management (Public Officers Medical Scheme Fund) (Amendment) Regulations, 2025.
- Name of Parent Act:** The Public Finance Management Act (*No. 18 of 2012*).
- Enacted Pursuant to:** Section 24(4) of the Public Finance Management Act, 2012
- Name of Ministry:** The National Treasury & Economic Planning/State Department for Public Service
- Gazetted on:** As approved by the Cabinet Secretary, National Treasury and Economic Planning, with concurrence with the National Assembly
- Tabled on:** To be advised by the Clerk of the National Assembly.

PART II

1. Purpose of the Statutory Instrument

The purpose of this Statutory Instrument is to **make amendments** to the Public Finance Management (Public Officers Medical Scheme Fund) Regulations, 2024, to finance the provision of a medical scheme for public officers. The amendments seek to include Teachers and Police officers in the scheme.

2. Legislative Context

The National Assembly delegated the duty to establish national public funds to the Cabinet Secretary responsible for finance, subject to the National Assembly's approval. This is provided for under Section 24 (4) of the Public Finance Management Act, 2012, and Section 207 of the Public Finance Management Regulations, 2015.

The Amendments are therefore exposed to the public in accordance with Section 24(4) of the Public Finance Management Act, 2012, and the procedure for public participation provided under Section 4(a) and 5 (3) (a) and (b) of the Statutory Instrument Act, 2013.

3. Policy Background

It is the government's policy to promote Universal Health Coverage for all Kenyans. UHC means all Kenyans can access the full range of necessary, quality health services – from promotion to prevention, treatment, and rehabilitation – without suffering financial hardship. It's a global goal that aims to ensure everyone, including the most vulnerable, has access to healthcare when and where they need it. Key components include efficient health financing, robust service delivery, and a focus on equity and accessibility.

The civil servants' medical scheme fund, known as the Public Officers Medical Scheme Fund, is a government fund administered by the Social Health Authority (SHA) to provide a comprehensive medical cover for public officers. It complements the general Social Health Insurance Fund (SHIF) with a package specifically for civil servants. The fund's purpose is to ensure continued and uninterrupted medical services for civil servants, including those in ministries, state departments, and the National Youth Service.

Previously, the teachers and the police officers have been accessing their enhanced medical cover from private insurance. This comes with substantive brokerage and compliance levies that reduce the effective funds for actual medical care. The pooling of resources for all will also expose teachers and police officers to broader access to hospital facilities than through private insurance.

4. Guidance

The National Treasury and Economic Planning, along with the State Department for Public Service, shall sensitize the National Assembly, the Teacher Service Commission, the National Police Service Commission, the Inspector General of the National Police Service, various Teachers Unions, and the general public on the objectives of these amendments.

5. Stakeholder Consultations

The Team responsible for preparing and developing the Amendments will hold targeted consultations with key stakeholders, and their input will be taken into

account before finalizing these Amendments in accordance with the provisions of Section 5 of the Statutory Instruments Act, 2014.

The mode of public participation included inviting key stakeholders through an advertisement posted on the National Treasury website and published in the MyGov section of the newspaper on December 2, 2025. Written submissions on the Amendments should be sent to pstreasury01@gmail.com and jona.wala@treasury.go.ke.

6. Review

The National Treasury shall monitor the application of the amended Regulations. This shall be done through the Fund's quarterly and annual reports, which are then forwarded to the National Treasury.

7. Contact

The contact person shall be the Cabinet Secretary or Principal Secretary, National Treasury & Economic Planning.

Made on the _____ 2025.

HON. FCPA JOHN MBADI NG'ONG'O, EGH
Cabinet Secretary for the National Treasury & Economic Planning