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THE UNITED REPUBLIC OF TANZANIA



No. I OF 2001

I ASSENT

.....  
President  
.....

An Act to provide for the mechanism of establishment of Community Health Fund and to provide for the constitution of the management organs, and the administration of the Fund and other related matters.

[.....]

ENACTED by the Parliament of the United Republic.

PART I

PRELIMINARY PROVISIONS

1. This Act may be cited as the Community Health Fund Act, 2001 and shall come into operation on such date as the Minister may by notice published in the *Gazette*, appoint.

2. This Act shall apply to local government authorities specified in the First Schedule to this Act, and to such other local government authorities as the Minister may from time to time declare by order, published in the *Gazette*.

- Interpre-  
tation
3. In this Act, unless the context requires otherwise -
- "Board" means a Council Health Services Board established by the respective Council;
- "card" means a community health fund card;
- "collector" means a person appointed for the purpose of collecting Community Health Fund contributions;
- "community" means a group of households organised in a recognised government administrative structure;
- "contribution" means an annual voluntary contribution to the Fund;
- "Council" means -
- Act No. 7  
of 1982
- (a) a District Council established under the Local Government (District Authorities) Act, 1982; or
- Act No. 8  
of 1982
- (b) an Urban Council established under the Local Government (Urban Authorities) Act, 1982;
- "Council Health Management Team" means the Council Health Management Team established by the respective Council;
- "Fund" means the Community Health Fund established by a local government authority in accordance with the provisions of this Act;
- "health-care provider" means a government health care facility or a private registered health care facility;
- "health care facility" means government or private health facility and includes any other facility established or organized for purposes of delivering health services;
- "health plan" means a council or ward health plan;
- "household" means-
- (a) a mother, father and children under the age of eighteen years; or
- (b) a member who has attained the age of eighteen years or more with or without children under the age of eighteen years;
- (c) an institution;
- "hospital" means a district hospital or a designated district hospital providing level I referral medical services;
- "Member" means a contributing household to the Fund;
- "Minister" means the Minister responsible for health matters;
- "local government authority" means-
- Act No. 7  
of 1982
- (a) in relation to a district, a district council established under the provisions of the Local Government (District Authorities) Act, 1982; or

(b) in relation to an urban, an urban council established under the provisions of the Local Government (Urban Authorities) Act, 1982; <sup>Act No. 8 of 1982</sup>

"user fee" means a fee charged by a health care facility for services rendered;

"Village council" means a council of a village registered in accordance with the provisions of the Local Government (District Authorities) Act, 1982, or existing as such in accordance with the provisions of the Local Government (Urban Authorities) Act, 1982; <sup>Act No. 7 of 1982</sup>

"Ward Health Committee" means the Ward Health Committee established by the respective Council. <sup>Act No. 8 of 1982</sup>

## PART II

### COMMUNITY HEALTH FUND

4.-(1) There shall be a Community Health Fund which is a voluntary community based financing scheme whereby households pay contributions to finance part of their basic health care services to complement the Government health care financing efforts. <sup>Community Health Fund</sup>

(2) A local government authority may establish a Community Health Fund in respect of its area of jurisdiction.

(3) The Community Health Fund established by a local government authority shall be managed and administered in accordance with the provisions of this Act.

5. The objectives of the Fund shall be -

- (a) to mobilize financial resources from the community for provision of health care services to its members; <sup>Objectives of the Fund</sup>
- (b) to provide quality and affordable health care services through a sustainable financial mechanism, and
- (c) to improve health care services management in the communities through decentralization by empowering the communities in making decisions and by contributing on matters affecting their health.

## PART III

### MEMBERSHIP, CONTRIBUTIONS AND HEALTH SERVICES

6. All contributing members shall be registered with the Fund and shall be issued with a membership card. <sup>Registration</sup>

- Membership 7. Membership shall be restricted to a paid up household except for exemptions as may be issued by the Council from time to time under the provisions of this Act.
- Contribution level 8.-(1) Every Council shall determine after consultation with members of that community the level of annual contributions to be paid by each household depending on whether the contribution is for outpatient **or, inpatient health care services.**  
 (2) The level of annual contributions may be varied from time to time by the Council after consultations with the members of that community.  
 (3) The Government may through the respective Council, contribute to the Fund any specified amount of money.
- Health services to members 9. Subject to the provisions of this Act, every members' household shall be entitled to medical services of its choice which have been pre-paid for at a preselected health care facility within the respective district.
- Exemptions 10.-(1) The powers to issue exemptions to pay Community Health Fund annual contribution to any person shall be vested into the Ward Health Committee after receiving recommendations from the Village Council and the Council shall authorize that person to obtain a Community Health Fund card.  
 (2) The exempting authority shall seek alternative means of compensating the Fund.  
 (3) Notwithstanding subsection (1) of this section, the Minister after consultations with the respective Council, may by order published in the *Gazette* issue exemptions as he may deem fit.

PART IV  
 MANAGEMENT AND ADMINISTRATION OF COMMUNITY  
 HEALTH FUND

- Management and administration 11.-(1) At the national level the Ministry responsible for health and the Ministry responsible for local government shall-
- (a) provide advice and technical support to the Fund; and
  - (b) **monitor and evaluate the activities of the Fund.**

- (2) The management and administration of the Fund shall vest-
- (a) at district level, to the council, through a Council Health Service Board;
  - (b) at ward level, to the Ward Development Committee through the Ward Health Committee;
  - (c) at village level, to the Village Council through the Village Social Services Committee.

12. The Functions of Council shall be-

- Functions  
of a  
Council
- (a) to provide operational guidelines for health activities to the Board;
  - (b) to provide guidelines that facilitate management of the Fund;
  - (c) to receive Fund management report;
  - (d) to ensure that the Board works harmoniously with other implementing agencies;
  - (e) to ensure that funds are available for health development activities in the council and essential drugs, medical supplies and vaccines are timely available and
  - (f) to make, by-laws for the Community Health Fund

13-(1) The Board shall be composed of the following members, Composi-  
tion of  
namely-

- Council  
Health  
Services  
Board
- (a) four community service users of whom at least two shall be female;
  - (b) one representative each from a non-profit voluntary agency and a private for profit health care facility, appointed by the Council from amongst health care facilities which have entered into a service agreement with the Board;
  - (c) the head of the Council Social Services Committee;
  - (d) the Council Planning Officer;
  - (e) the District Medical Officer who shall be the Secretary to the Board;
  - (f) one representative from the Regional Health Management
  - (g) one representative from the Regional Health Management Team.

(2) The Chairman shall be elected from amongst members specified under paragraph (a), (b), and (c) of subsection (1) of this section.

(3) Members specified under paragraphs (a), (b), and (c) other than members specified under paragraphs (e), (f), and (g) of subsection (1), shall have voting rights in any decision of the Board.

- Tenure of office** 14-(1) Members of the Board who have voting rights under subsection (3) of section 13 shall each hold office for a period of three years and may be re-elected for another one term only.
- Functions of a Council Health Services Board** 15.-(1) The functions of a Council Health Services Board shall be -
- (a) to provide district health services and monitor Community Health Fund operations and activities;
  - (b) to work in consultation with the Council Health Management Team to ensure quality health care and professionalism;
  - (c) to mobilise and administer funds for Community Health Fund;
  - (d) to set exemption criteria for users of the health care services provided by the Fund;
  - (e) to set targets for the Fund;
  - (f) to review reports from Ward Health Committees or any other source;
  - (g) to monitor and make verification on collection, expenditure and control of funds- and
  - (h) to design an annual health plan for approval by the respective Council.
- (2) The provisions of the Second Schedule shall have effect as to the tenure of its members, quorum, meetings and proceedings and such other matters in relation to the Council Health Services Board.
- Functions of Council Health Management Team** 16.-(1) The functions of Council Health Management Team shall be -
- (a) to monitor activities of both private and public health facilities in relation to the Fund;
  - (b) to advice the Committee responsible for health matters regarding the Fund;
  - (c) to set mechanisms of monitoring and evaluation of the Community Health Fund;
  - (d) to assure quality assurance of the health care services provided.
- (2) The provisions of the Second Schedule shall have effect as to the quorum, meetings and proceedings and such other matters in relation to the Council Health Management Team.



- 17.-(1) Members of the Ward Health Committee shall be - Composition of ward Health committee
- (a) the councillor of the respective ward,
  - (b) the ward executive officer;
  - (c) one head teacher from a primary school located in the ward who shall be appointed by the Ward Development Committee;
  - (d) two members from the community elected by the community of which one of whom shall be a female;
  - (e) a clinical officer or an assistant clinical officer in charge of a health care facility, who shall be the secretary to the committee;
  - (f) one member appointed by the Ward Development Committee from amongst persons proposed by the village councils within the area of that Ward; and
  - (g) one representative from a community based organisation appointed by the Ward Development Committee;

(2) The Chairman and Vice-Chairman of the Committee shall be elected by their number from amongst the members.

18. Members of the Committee shall each hold office for a period of three years and may be re-elected for a further period of three years. Tenure of office

- 19-(1) The functions of a Ward Health Committee shall be - Functions of Ward Health Committee
- (a) to mobilise the community to be members of the Fund;
  - (b) to prepare the list of members and monitor the number of members in the community;
  - (c) to supervise the collectors of annual contributions;
  - (d) to monitor the level of contributions and user-fee revenue;
  - (e) to review Fund's operations, make recommendations and take remedial actions;
  - (f) to initiate, and coordinate community health plans;
  - (g) to organize general meetings and any other meetings of members of the Fund.**

(2) The provisions of the Second Schedule shall have effect as to the quorum, meetings and proceedings and such other matters in relation to the Ward Health Committee.

- Require-  
ments for  
Councils  
and Ward  
Develop-  
ment  
Commit-  
tees
20. The Fund requires a Council and Ward Development Committee to ensure the following -
- (a) compliance with their own plans and budget;
  - (b) careful procurement in a transparent and open manner using acceptable government procedures;
  - (c) keeping of accurate records of expenditure of the resources of the Fund; and
  - (d) holding of regular meetings by the established Committees.
- Health care  
facility
- 21.-(1) No private health care facility shall provide health care services to Community Health Fund members unless that facility is registered under the relevant law.
- (2) A registered private health care facility shall enter into a service agreement with the Board for the provision of health care services in the respective community,
- (3) Before a Board enters into a service agreement with any health care facility for provision of health care services, the Board shall first afford an opportunity to the public and privately owned health care facility established within its area of operations to bid competitively for the provision of health care services to members.
- Amend-  
ment of  
second  
Schedule
22. The Minister may amend the Second Schedule by an order published in the Gazette.

## PART V

## FINANCIAL PROVISIONS'

- Sources of  
Fund
23. The funds and resources of the Fund shall consist of-
- (a) all moneys received in respect of contributions paid by members
  - (b) user fees payable for using a government health centre or dispensary;
  - (c) Government contributions;
  - (d) grants from councils, organisations or any other donor;
  - (e) any other money lawfully acquired from any other source.

24. The money accrued to the Fund shall be used for the following purposes namely Uses of  
the Fund

- (a) health related purposes specified in the health plans and approved by the Board; and
- (b) any other essential health purposes or activities as may deem relevant from time to time and approved by the Board.

25.-(1) The Board shall keep proper accounts and other records in relation thereto and shall prepare in respect of each financial year of the Council statement of accounts as the Council may direct. Financial  
manage-  
ment

(2) The accounts of the Fund shall be audited by competent and qualified auditors in accordance with regulations governing auditing of Council's accounts.

(3) The Board shall as soon as practicable after the end of each financial year of the Council prepare a full report on the performance of its functions during that financial year, and one copy of such report together with d copy of the audited accounts shall be submitted to the Council and the Ministry responsible for health matters.

#### PART VI

##### COMPLAINTS AND DISPUTE SETTLEMENT

26. A mechanism of dispute settlement shall be as prescribed by regulations made under this Act. Dispute  
settlement

27.-(1) The following acts shall constitute valid grounds for complaints between a Board and a health care facility - Grounds  
for com-  
plaints

- (a) the, quality of health care services not in, line with the granted fees;
- (b) fee, levels is smaller that the agreed amount;
- (c) delay in payment for provision of health care services.

(2) In the case of a member and a Board, the following constitutes valid grounds for a complaint

- (a) provision of low quality health care services;
- (b) any other act or omission that undermines the purposes of the Community Health Fund.

(3) In the case of a member and a health care facility, the following constitutes valid grounds for a complaint -

- (a) the quality of health care services provided by the health care facility;
- (b) unjustifiable denial of certain health care services by a health care facility;
- (c) delay in the provision of a required health care service;
- (d) poor attitude to beneficiaries of health care services under the Fund.

Com-  
plaints

28. Any member, Board or health care facility may lodge a complaint to the Ward Health Committee, or to the Board or to the Council as the case may be, in accordance with the dispute settlement mechanism prescribed by regulations made under this Act.

#### PART VII GENERAL PROVISIONS

Offences  
and pen-  
alties

29. Any person who -

- (a) for the purpose of obtaining a health care service -
  - (i) knowingly makes any false statement or representation or produces or causes to be produced any document or information which he knows to be false in any material particular;
  - (ii) presents a forged card or document;
- (b) fails to disclose any material fact as a result of which he obtains the health care services which he is not entitled, commits an offence and is liable on conviction to a fine not exceeding one hundred thousand shillings or to imprisonment for a term not exceeding one year or to both that fine and imprisonment.

Regula-  
tions

30.-(1) The Minister may after consultation with the Minister responsible for local government affairs make regulations for the better carrying out of the objects of this Act.

(2) Without prejudice to the generality of subsection (1) the Minister may make regulations -

- (a) regulating the Community Health Fund;
- (b) providing for the mechanism of dispute settlement;
- (c) providing for the manner of payment and collection of contributions and user-fees;
- (d) providing for criteria and procedures of exemptions;
- (e) prescribing the selection procedure of members to the Board.

31. A Council may make by-laws to provide for establishment of Community Health Fund in its respective areas of jurisdiction for operations and running of the Fund.

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FIRST SCHEDULE

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*(Section 2)*

1. Hanang District Council.
2. Igunga District Council.
3. Iramba District Council.
4. Iringa District Council.
5. Kilosa District Council.
6. Mbinga District Council.
7. Nzege District Council.
8. Singida District Council.
9. Songea District Council.
10. Songea Town Council.

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SECOND SCHEDULE

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*(Sections 15(2); 16(2),-19(2))*

PROCEEDINGS OF THE COUNCIL HEALTH SERVICES BOARD,  
COUNCIL HEALTH MANAGEMENT TEAM, AND  
WARD HEALTH COMMITTEE

1. In this Schedule -
  - (a) "chairman", "vice-chairman" and

Interpre-  
tation

	"member" means the chairman, vice chairman and member as the case may be of the -
	(i) the Council Health Services Board;
	(ii) the Council Health Management Team and;
	(iii) the Ward Health Committee
Vacation of office	2. The office of a member shall become vacant -
	(a) on his or her death;
	(b) upon resignation
	(c) if the member without Sufficient Cause fails to attend <del>the</del> consecutive ordinary meetings;
	(d) if the member becomes in any manner disqualified from membership;
	(e) if the member is declared in accordance with any written law to have body or mental infirmity;
	(f) if the member has ceased to hold the post which entitles him or her to be a member.
Meetings and quorum	3.-(1) An ordinary meeting shall be held once after every three months and convened by the Chairman and the notice of the meeting shall be sent to each member in not less than fourteen days before the date of the meeting.
	(2) The Chairman, or in his absence the Vice Chairman, shall be bound to convene a special meeting upon receipt of a request signed by not less than five members, and not less than two days' notice of the meeting shall be given to the members.
	(3) One half of the total number of members shall form a quorum for any meeting.
	(4) There shall preside at any meeting-
	(a) the Chairman;
	(b) in the absence of the Chairman, the Vice-Chairman;
	(c) in the absence of the chairman and the Vice-Chairman, such member as may be elected by other members for the purpose of that meeting.
Voting	4.-(1) At any meeting a decision of the majority of the members present and, voting shall be deemed to be the decision of that meeting.
	(2) In the event of equality of votes the Chairman of that meeting shall have a casting vote in addition to his deliberative vote.
Decision by circulation of papers	5. A decision may be made without a meeting, by circulation of the relevant papers to all members and the expression in writing of their views, but a member may require that any such decision shall be deferred until the matter is considered at another meeting.
Minutes	6. Minutes in proper form of each meeting shall be kept and shall be confirmed by <b>the members at the next meeting and signed by the Chairman and the Secretary of the meeting</b>
Vacancy	7. Members may act notwithstanding any vacancy in its composition of the membership.
Validity of proceedings	8. The validity of any proceedings shall not be affected by any defect in the appointment of any member.

9. All orders, directions, notices or other documents made or issued shall be signed by -  
by -  
(a) the Chairman; or  
(b) the Secretary or any officer authorized in writing in that behalf by the Secretary.
10. Subject to **the provisions of this Schedule, members shall have power to regulate proceedings** of their meetings.

Passed in the National Assembly on the 7<sup>th</sup> February, 2001.

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*Clerk of the National Assembly*