

### **Abstract**

This study examined the inequalities in financing and delivery of health care and the extent to which poor people benefit from public spending on health using the Benefit Incidence Analysis (BIA) tool. It focuses on public and out-of-pocket spending using utilization data from the Household Health Expenditure Survey (HHES) of 2003. The study established that the poor suffer from higher morbidity and mortality rates, but are less likely to report illness or seek medical care when ill due to high cost of care and the distance to health care providers. The low inclination by the poor to seek health care even when sick leads to reduced health care utilization in the country. The study also established that public health spending on curative care in Kenya is poorly targeted. It recommends that significant reallocation of health resources toward services used primarily by the poor be undertaken and provision of support to charitable organizations providing health services in underserved areas. In addition, ways should be explored to improve the incentive schemes needed to attract health personnel to work in underserved areas. Strategies that can help protect the poor and the vulnerable such as the proposed Social Health Insurance Scheme, subsidizing and providing free hospital care for them and for pregnant women and children under-five will go along way in improving access to health care. Free primary health care for all and construction of facilities in underserved areas needs to be considered.