EXEMPLARS SERIES

AFRICAN RENAISSANCE

# Towards Universal Health Insurance

## Tanzania

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This exemplar traces Tanzania's phased path to mandatory universal health insurance, beginning with efforts to strengthen the sustainability of existing schemes before moving to national consolidation. The focus is on sequencing, provider payment reform, and the politics of making coverage mandatory.

### Core exemplar

Increased sustainability through mandatory universal health insurance via phased consolidation, including iCHF reform, NHIF strengthening, and capitation-based payment.

**Why it matters for ALM:** It shows how countries can strengthen financial sustainability and provider payment discipline before moving to mandatory UHI at scale.

**Primary ALM contribution:** More health for the money, more money for health through improved pooling, and governance and accountability through sequenced reform.

**Replicability potential:** High for countries transitioning from fragmented voluntary schemes toward mandatory national coverage.

## 1. Context: Fragmented Insurance Schemes and the UHI Act

Tanzania began from a crowded and fragmented insurance landscape. Several schemes operated in parallel, including NHIF, the improved Community Health Fund, the NSSF health benefit, and private plans. By 2021, total insurance coverage had fallen to about 15.3%, down from 32% in 2018. The basic lesson was increasingly hard to ignore: small, voluntary pools do not hold coverage well over time.

Tanzania's 2016–2026 Health Financing Strategy already pointed toward mandatory national insurance, but translating that vision into law took time. Parliament finally passed the Universal Health Insurance Act in December 2023, drawing heavily on lessons from iCHF. After the October 2025 elections, the President made UHI operationalization a priority for the new administration's first 100 days, with the Tanzania Insurance Regulatory Authority supporting the regulatory side of implementation.

## 2. Mechanism: iCHF Consolidation, UHI Act Implementation and Capitation Reform

Tanzania used iCHF as a practical test bed before moving to mandatory UHI. Between 2012 and 2017, the government piloted several models, then consolidated them into a single national iCHF design and rolled it out across all 26 mainland regions in 2019. The reforms introduced a clearer purchaser-provider split, better portability across districts, a uniform household premium, and capitation payments to facilities. Those features later became the design foundation for the UHI Act.

The UHI Act pushes the model further by making capitation central to provider payment. Facilities receive advance lump-sum payments instead of waiting for retrospective reimbursement, which is meant to improve cash flow and reduce arrears. NHIF performance had already started moving in that direction: average payment delays fell from 120 days to 55 days, the fund moved from deficit to surplus by the end of 2024/25, and the medical-loss ratio dropped to within international norms. By the end of 2025, TIRA had also registered 10,032 of the country's 13,776 recognized health facilities.

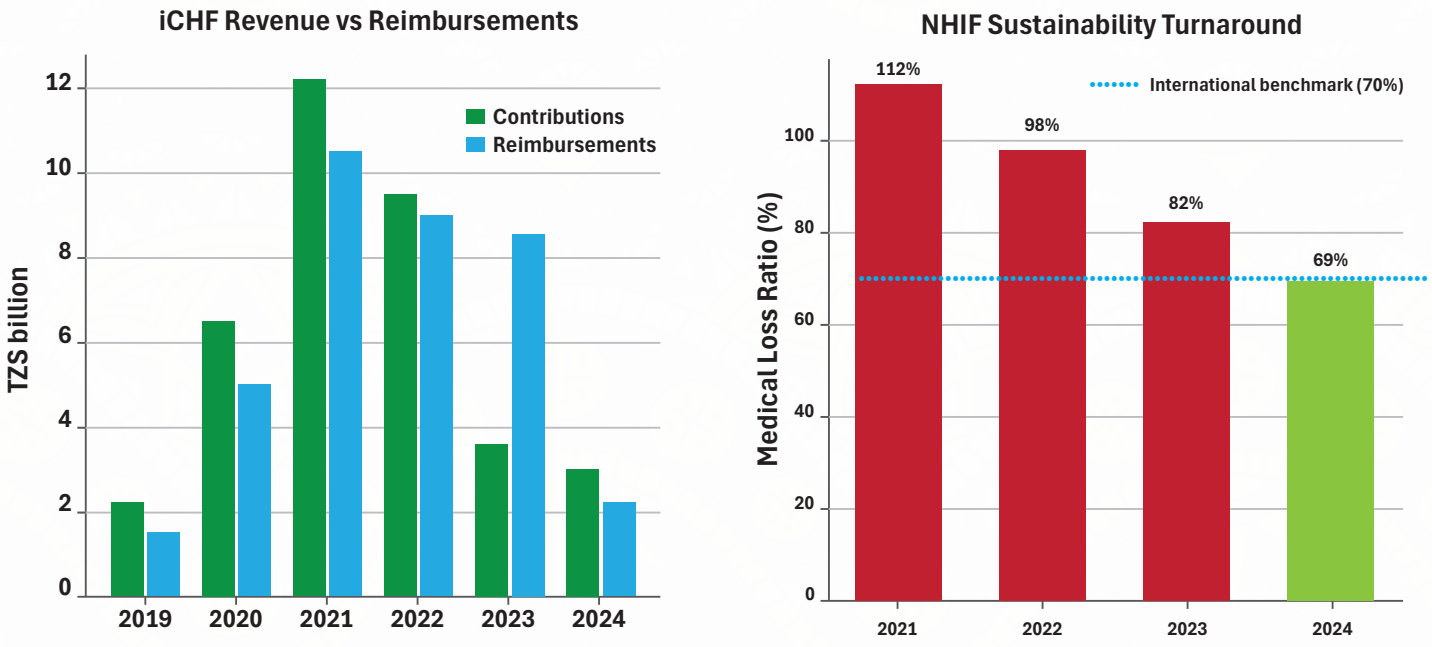


Figure T-1. Tanzania: iCHF Evolution and NHIF Financial Sustainability (2019–2025). iCHF contributions peaked in 2021 before declining; NHIF's medical-loss ratio moved from 112 % (2021) to 69 % (2024/25), inside international benchmarks.

## 3. Outcomes: iCHF Enrolment and the Launch of Universal Health Insurance

Between 2019 and 2023, 898,739 individuals enrolled in iCHF. Regional contributions grew from TZS 2.2 billion (2019) to TZS 12.2 billion (2021) before declining to TZS 3.6 billion (2023); reimbursements fell from TZS 8.55 billion (2023) to TZS 2.23 billion (2024). Healthcare utilization patterns reveal a rising NCD burden — iCHF beneficiaries averaged 1.17 health visits per person, with NCD visits slightly outnumbering communicable-disease visits. At the Joint Annual Health Sector Technical Review Meeting (JAHS-TRM) in Dodoma, 17–18 March 2026, the Government reaffirmed its commitment to expanding access to essential services through the national rollout of UHI, aligning with the Health Sector Transformation Plan (HSTP 2026–2031). The April 2026 Joint Annual Health Sector Policy Meeting will finalize Policy Commitments for FY 2026/27.

### Key Vulnerability

- **What is at risk:** Public trust and affordability during the transition from voluntary iCHF to mandatory UHI—especially for informal and rural households.

- **Why it matters (evidence):** iCHF's voluntary premium (TZS 30,000 per household) was often hard to pay for rural families with seasonal income. The proposed shift to mandatory UHI with initially suggested premiums of TZS 350,000 per household or TZS 150,000 per person triggered public backlash; the UHI Bill was withdrawn from Parliament twice before passage in December 2023. Cost pressure is rising as NCD needs grow faster than contributions. Fiscal performance is also uneven across regions: some have surpluses (Dodoma, Morogoro) while others carry large deficits (Dar es Salaam at TZS 4.97 billion). Technology readiness, informal-sector enforcement, and service-quality convergence across mainland and Zanzibar remain open risks. Private-sector readiness is still catching up: several insurers (Strategis, GA Insurance Tanzania, MO Assurance, Britam) received transitional compliance periods extending to December 2026.

- **What would reduce the risk:** A phased, clearly communicated premium and subsidy approach (especially for informal households), continued capitation and payment-discipline reforms to protect provider cash flow, targeted investments in digital readiness and enforcement, and a credible plan to harmonize service quality between mainland and Zanzibar.

## 4. Tanzania on the ALM Scorecard

Tanzania's scorecard shows strong implementation momentum, with eight commitments rated On Track and two rated Partial. The strongest areas are sequencing, legal reform, NHIF financial turnaround, and the practical steps taken to make mandatory UHI operational. The two Partial ratings reflect unresolved issues in domestic resource mobilization and limited pharmaceutical manufacturing depth, as well as continuing concerns around affordability and readiness in the informal sector. Overall, the scorecard is consistent with a country that has moved carefully and credibly from pilot reform to national rollout.

| ALM Scorecard Heat-Map | |
|---|---|
| **Country** | **Tanzania** |
| 1. Political Agenda | |
| 2. Leverage Partners | |
| 3. Domestic Mobilization | |
| 4. Private Sector | |
| 5. PMPA Harmonization | |
| 6. Operational Undertakings | |
| 7. Monitoring & Reporting | |
| 8. Accountability Framework | |
| 9. Hosting Role | |
| 10. Leveraging AU Support | |

**Legend:** Green = On Track; Amber = Partial; Red = Off Track

## 5. Key Lessons and Policy Implications

- Pilot-to-scale methodology. Tanzania's systematic approach — piloting four models, consolidating to iCHF, then scaling to mandatory UHI — provides a replicable methodology for translating health financing experiments into national policy.
- Regional pooling as interim step. Moving risk pooling from district to regional level is a pragmatic intermediate step toward national pooling and single-risk-pool UHI.
- 100-day political sprint. President Samia's use of her electoral 100-day window to operationalize the UHI Act demonstrates how elections can be leveraged as political resource for reforms that have been pending for years — a replicable playbook for Uganda (post-NHIS stall) and other countries.
- Capitation payment reform. The shift from retrospective reimbursement to advance capitation payments materially improves provider cash-flow predictability. NHIF's 120 → 55 day reduction is a concrete output metric other African insurers (Kenya's SHA at 20 % payment rate; Senegal's ANACMU) should benchmark against.
- Interoperable digital backbone. NHIF's integration with TRA (tax), NIDA (ID), RITA (trust registration), PSSSF (pension), and PO-RALG (local government) is a model of whole-of-government interoperability. UHI enforcement through licence-based controls (driving, school admission) remains politically contested but is a blueprint for other jurisdictions.

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**ALM score card sources: Tanzania (8/10 On Track, 2 Partial)**
**C1: Political agenda** — **On Track** Indicators: UHI = President Samia 100-day priority; UHI Act 2023 launched Jan 2026; SADC SPPS host Sources: UHI Act 2023 (parliament.go.tz); State House 100-day briefings; The Citizen Dec 2025
**C2: Leverage partners** — **On Track** Indicators: WB, Global Fund, Gavi, USAID, AFD, Japan; SADC SPPS leadership; PharmAccess iCHF Sources: WB Tanzania HSS; PharmAccess (pharmaccess.org); SADC SPPS (msd.go.tz)
**C3: Domestic mobilisation** — **Partial**Indicators: UHI voluntary-to-mandatory transition (untested); 32% coverage; NHIF turnaround +TZS 225B surplus Sources: NHIF financial statements 2020-25; The Citizen MLR reporting; PharmAccess Forum Oct 2025
**C4: Private sector** — **On Track** Indicators: 200+ private hospitals NHIF-accredited; Aga Khan; Apollo; KCMC; PPP framework Sources: NHIF Accredited Provider List (nhif.or.tz)
**C5: PMPA** — **Partial** Indicators: TMDA WHO-Listed Authority; SADC SPPS at MSD Dar; limited local vaccine manufacturing Sources: TMDA (tmda.go.tz); WHO Listed Authority status; SADC SPPS
**C6: Operational** — **On Track** Indicators: UHI Act 2023+2026 implementation; NHIF turnaround; JAHS-TRM Mar 2026; 10,032/13,776 facilities (72.8%) Sources: JAHS-TRM communiqué Mar 2026 (moh.go.tz); Daily News UHI rollout (dailynews.co.tz)
**C7: Monitoring** — **On Track** Indicators: DHIS2 nationwide; UHI digital enrolment; NHIF claims tracking; Annual Joint Sector Review Sources: Tanzania DHIS2 review; NHIF Annual Reports; SADC SPPS reports
**C8: Accountability** — **On Track** Indicators: NHIF Board governance; Parliamentary Health Committee; MLR 112%→69% demonstrates actuarial accountability Sources: NHIF governance documents; National Assembly reports; MLR improvement data
**C9: Hosting role** — **On Track** Indicators: SADC SPPS HQ at MSD Dar es Salaam; EA Pharma Forum participant; EAC health convening Sources: MSD Tanzania (msd.go.tz); SADC SPPS designation; EAC records
**C10: Leveraging AU** — **On Track** Indicators: AU AMA preparations; AVMA eligibility; SADC RHFH participant; PAVM alignment Sources: AU AMA Treaty; Gavi AVMA; SADC RHFH documentation

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