

CHAPTER 409

THE COMMUNITY HEALTH FUND ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

Section Title

PART I

PRELIMINARY PROVISIONS

1. Short title.
2. Application.
3. Interpretation.

PART II

COMMUNITY HEALTH FUND

4. Community Health Fund.
5. Objectives of Fund.

PART III

MEMBERSHIP, CONTRIBUTIONS AND HEALTH SERVICES

6. Registration.
7. Membership.
8. Contribution level.
9. Health care services to members.
10. Exemptions.

PART IV

MANAGEMENT AND ADMINISTRATION OF COMMUNITY HEALTH FUND

11. Management and administration.
12. Functions of Council.
13. Composition of Council Health Services Board.
14. Tenure of office.
15. Functions of Council Health Services Board.
16. Functions of Council Health Management Team.
17. Composition of Ward Health Committee.
18. Tenure of office.
19. Functions of Ward Health Committee.



20. Requirements for Councils and Ward Development Committees.
21. Health care facility.
22. Amendment of Second Schedule.

**PART V
FINANCIAL PROVISIONS**

23. Sources of Fund.
24. Uses of funds.
25. Financial management.

**PART VI
COMPLAINTS AND DISPUTE SETTLEMENT**

26. Dispute settlement.
27. Grounds for complaints.
28. Complaints.

**PART VII
GENERAL PROVISIONS**

29. Offences and penalties.
30. Regulations.
31. By-laws.

SCHEDULES

CHAPTER 409

THE COMMUNITY HEALTH FUND ACT

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

[1st September, 2001]

[GN. No. 313 of 2009]

Act No.
1 of 2001

PART I

PRELIMINARY PROVISIONS

- Short title **1.** This Act may be cited as the Community Health Fund Act.
- Application **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 declare by order published in the *Gazette*.
- Interpretation **3.** In this Act, unless the context otherwise requires-
“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-
- Cap. 287 (a) a district council established under the Local Government (District Authorities) Act; or
- Cap. 288 (b) an urban council established under the Local Government (Urban Authorities) Act;

“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 facility” means Government or private health facility and includes any other facility established or organised for purposes of delivering health services;

“health care provider” means a government health care facility or a private registered health care facility;

“health plan” means a council or ward health plan;

“hospital” means a district hospital or a designated district hospital providing level I referral medical services;

“household” means-

(a) a mother, father and children under the age of eighteen years;

(b) a member who has attained the age of eighteen years or more with or without children under the age of eighteen years; or

(c) an institution;

“member” means a contributing household to the Fund;

“Minister” means the Minister responsible for health;

“local government authority” means-

Cap. 287

(a) in relation to a district, a district council established under the provisions of the Local Government (District Authorities) Act; or

Cap. 288

(b) in relation to an urban, an urban council established under the provisions of the Local Government (Urban Authorities) Act;

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

Cap. 287

“Village Council” means a council of a village registered in accordance with the provisions of the Local Government (District Authorities) Act, or existing as such in

Cap. 288

accordance with the provisions of the Local Government (Urban Authorities) Act; and

“Ward Health Committee” means the Ward Health Committee established by the respective Council.

PART II COMMUNITY HEALTH FUND

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.

(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.

Objectives of Fund

5. The objectives of the Fund shall be-

- (a) to mobilise financial resources from the community for provision of health care services to its members;
- (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 decentralisation by empowering the communities in making decisions and by contributing on matters affecting their health.

PART III MEMBERSHIP, CONTRIBUTIONS AND HEALTH SERVICES

Registration

6. All contributing members shall be registered with the Fund and shall be issued with a membership card.

Membership

7. Membership shall be restricted to a paid up household except for exemptions as may be issued by the Council 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 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 care 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 prepaid 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 authorise 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; and
 - (c) at village level, to the Village Council through the Village Social Services Committee.

Functions of
Council

12. The Functions of Council shall be-

- (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.

Composition of
Council Health
Services Board

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

- (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 Team; and

(g) one representative from the hospital.

(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 (d), (e), (f), and (g) of subsection (1), shall have voting rights in any decision of the Board.

Tenure of office

14. Members of the Board who have voting rights under section 13(3) shall each hold office for a period of three years and may be re-elected for another one term only.

Functions of
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 a Council Health Management Team shall be-

- (a) to monitor activities of both private and public health facilities in relation to the Fund;
- (b) to advise the Committee responsible for health regarding the Fund;
- (c) to set mechanisms of monitoring and evaluation of the Community Health Fund; and
- (d) to assure quality assurance of the health care services provided.

(2) The provisions of the Second Schedule to this Act shall have effect as to the quorum, meetings and proceedings and such other matters in relation to the Council Health Management Team.

Composition
of Ward Health
Committee

17.–(1) Members of the Ward Health Committee shall be-

- (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 Chairperson and Vice-Chairperson of the Committee shall be elected from amongst the members.

Tenure of office

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.

Functions of
Ward Health
Committee

- 19.**—(1) The functions of a Ward Health Committee shall be-
- (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 co-ordinate community health plans; and
 - (g) to organise general meetings and any other meetings of members of the Fund.
- (2) The provisions of the Second Schedule to this Act shall have effect as to the quorum, meetings and proceedings and such other matters in relation to the Ward Health Committee.

Requirements
for Councils
and Ward
Development
Committees

- 20.** The Fund requires a Council and a 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 income and expenditure of the resources of the Fund; and
 - (d) holding of regular meetings by the established Committees.

Health care
facility

- 21.**—(1) A private health care facility shall not 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.

Amendment of Second Schedule **22.** The Minister may amend the Second Schedule to this Act by 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;
- or
- (e) any other money lawfully acquired from any other source.

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

- (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 and approved by the Board.

Financial management **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.

(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 a copy of the audited accounts shall be submitted to the Council and the Ministry responsible for health.

PART VI COMPLAINTS AND DISPUTE SETTLEMENT

Dispute
settlement

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

Grounds for
complaints

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

- (a) the quality of health care services is not in line with the granted fees;
- (b) fee levels are smaller than the agreed amount; or
- (c) there are delays 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; or
- (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; or
- (d) poor attitude to beneficiaries of health care services under the Fund.

Complaints

28. Any member, Board or health care facility may lodge a complaint to the Ward Health Committee, or to the Board or 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 penalties

29. A 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; or
 - (ii) presents a forged card or document; or
- (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 on conviction, shall be liable to a fine not exceeding one hundred thousand shillings or to imprisonment for a term not exceeding one year or to both.

Regulations

30.-(1) The Minister may, after consultation with the Minister responsible for local government affairs, make regulations for the better carrying out of the objectives 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; and
- (e) prescribing the selection procedure of members to the Board.

By-laws

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.

FIRST SCHEDULE

(Made under 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. Nzega District Council.
8. Singida District Council.
9. Songea District Council.
10. Songea Town Council.

SECOND SCHEDULE

(Made under sections 15(2), 16(2) and 19(2))

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

Interpretation

- 1.** In this Schedule-
“Chairman”, “Vice-Chairman” and “member” means the Chairman, Vice-Chairman and member, as the case may be of-
- (a) the Council Health Services Board;
 - (b) the Council Health Management Team; and
 - (c) the Ward Health Committee.

Vacation of office

- 2.** The office of a member shall become vacant-
- (a) on his death;
 - (b) upon resignation;
 - (c) where the member without sufficient cause fails to attend three consecutive ordinary meetings;
 - (d) where the member becomes in any manner disqualified from membership;
 - (e) where the member is declared in accordance with any written law to have body or mental infirmity; or
 - (f) where the member has ceased to hold the post which entitles him 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	<p>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.</p> <p>(2) In the event of equality of votes, the Chairman of that meeting shall have a casting vote in addition to his deliberative vote.</p>
Decision by circulation of papers	<p>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.</p>
Minutes	<p>6. Minutes in proper form of each meeting shall be kept and shall be confirmed by the members at the next meeting and signed by the Chairman and the Secretary of the meeting.</p>
Vacancy	<p>7. Members may act notwithstanding any vacancy in its composition of membership.</p>
Validity of proceedings	<p>8. The validity of any proceedings shall not be affected by any defect in the appointment of any member.</p>
Orders and directions	<p>9. All orders, directions, notices or other documents made or issued shall be signed by-</p> <ul style="list-style-type: none"> (a) the Chairman; (b) the Secretary; or (c) any officer authorised in writing in that behalf by the Secretary.
Proceedings	<p>10. Subject to the provisions of this Schedule, members shall have power to regulate proceedings of their meetings.</p>

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