



AMREF INTERNATIONAL UNIVERSITY
SCHOOL OF PUBLIC HEALTH
DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT
BACHELOR OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT AND
DEVELOPMENT
END OF SEMESTER MAIN EXAMINATION MAY-AUGUST 2026
HMD 227 STRATEGIC MANAGEMENT IN HEALTHCARE

TIME: Two Hours

Date : 10th August 2026

TIME : Two (2) Hours Start---5:30pm-----End.....7:30pm...

INSTRUCTIONS TO CANDIDATES

- 1) This exam is out of 70 marks
- 2) Section-A is compulsory with a Total of 30 Marks
- 3) Answer any TWO (2) questions in Section B

Read carefully the additional instructions preceding each section.

Section A

1. Define the term 'mission drift' as used in strategic management. (2 mks)
2. Name THREE key elements of a strategic management framework in healthcare. (3 mks)
3. Outline the THREE phases of the strategic management cycle. (4 mks)
4. Differentiate between a mission statement and a vision statement. (4 mks)
5. Name THREE factors from the PESTEL framework that currently affect healthcare organisations in Kenya. (3 mks)

6. Differentiate between vertical integration and horizontal integration in healthcare. (4 mks)
7. Outline THREE challenges that health managers face when implementing a strategic plan in a county health system in Kenya. (3 mks)
8. Name FOUR perspectives of the Balanced Scorecard framework. (4 mks)
9. Differentiate between a functional organisational structure and a matrix organisational structure in healthcare. (3 mks)

SECTION B: LONG ANSWER QUESTIONS (40 MARKS)

ANSWER ANY TWO (2) QUESTIONS

10. Wekesa County Referral Hospital is a 220-bed Level 5 public facility that currently generates 58% of its operating revenue through Social Health Authority (SHA) reimbursements. SHA has notified the hospital that it intends to revise its service level agreement, proposing a 15% reduction in reimbursement rates for outpatient services and introducing new documentation requirements for inpatient claims. The hospital's management team must negotiate the new agreement within 30 days. At the same time, the hospital is facing a decision about its underperforming maternity wing, which has a 34% bed occupancy rate against a county target of 70%. The wing requires KES 18 million in urgent infrastructure investment to meet minimum standards, but the hospital's current budget deficit stands at KES 11 million. The board has requested a management recommendation within the same 30-day window.
 - a. Analyse FIVE negotiation strategies the hospital management team should apply in negotiating the revised service level agreement with SHA. (10mks)
 - b. Using a recognised decision-making framework, recommend FIVE policy and planning actions the hospital management team should take regarding the maternity wing. (10 mks)
11. Uzima Health Network is a faith-based organisation founded in 1987 to provide maternal and child health services to rural communities in western Kenya. It now operates 14 facilities across three counties and earns 32% of its income from a fee-paying specialist clinic and employer service contracts. Donor funding, which accounts for 27% of income, is tied specifically to maternal and child health outcomes. Frontline workers at rural dispensaries have formally complained that essential medicines are being prioritised for the urban specialist facilities. Donor representatives have written formally to the board about the organisation's current direction.

- a. Using a SWOT analysis, examine FIVE strategic issues facing Uzima Health Network. (10mks)
 - b. Recommend FIVE strategic actions to address the challenges facing Uzima Health Network. (10mks)
12. Pumzika County adopted a five-year County Health Strategic and Investment Plan (CHSIP) in 2022. At the 2025 midpoint review, only 31% of strategic objectives had been substantially achieved, and the maternal mortality ratio stood at 310 per 100,000 live births against a target of 210. Only 40% of facilities submitted quarterly HMIS data in the last reporting cycle. Sub-county health managers could not report on progress against the CHSIP targets when interviewed by the review team. The last recorded county health performance review meeting was held fourteen months ago, and sub-county budget utilisation reports show significant underspending in the first two quarters of the year.
- a. Analyse FIVE reasons why Pumzika County's health strategic plan has underperformed. (10mks)
 - b. Explain FIVE components of a strategic recovery plan for Pumzika County. (10mks)