



# Incentives and Targets in Hospital Care

## Evidence from a Natural Experiment



**Frank Windmeijer**  
Bristol



**Carol Propper**  
Bristol and  
Imperial College,  
London



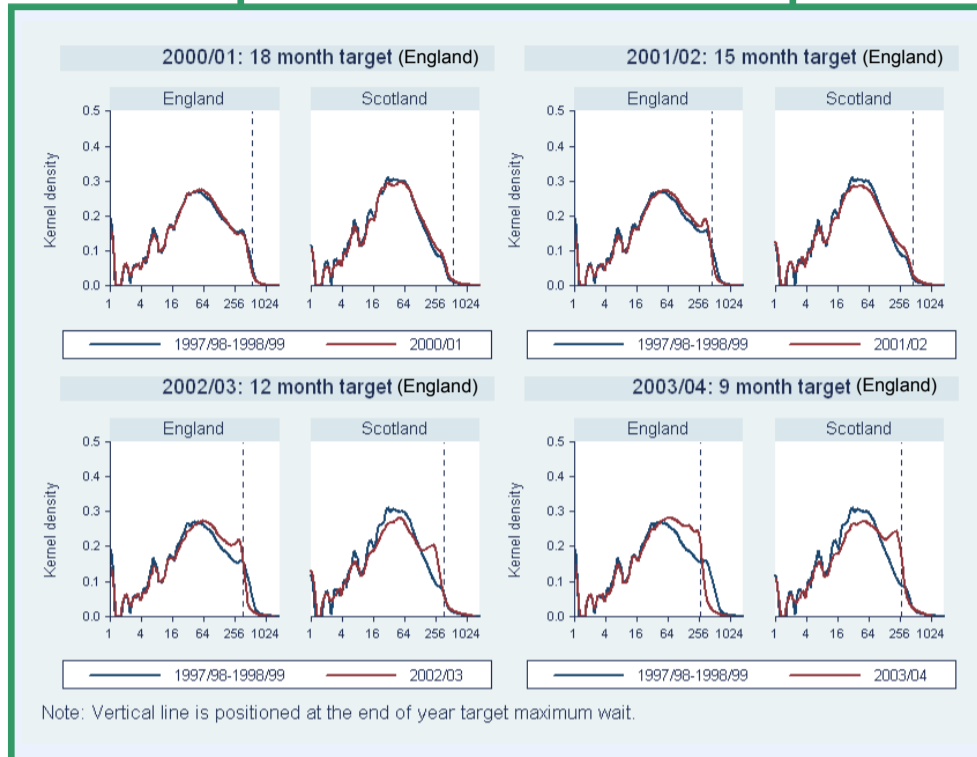
**Matthew Sutton**  
Manchester



**Carolyn Witnall**  
Bristol

### Background

Performance targets are commonly used in the public sector, despite the well known problems that arise when organisations have multiple objectives and performance is difficult to measure. Such targets may work where there is consensus that performance needs to be improved. We investigated this possibility by examining whether high profile targets to reduce waiting times in the English NHS met their goals of reducing waiting times without diverting activity from other less well monitored aspects of health care.



### What We Did

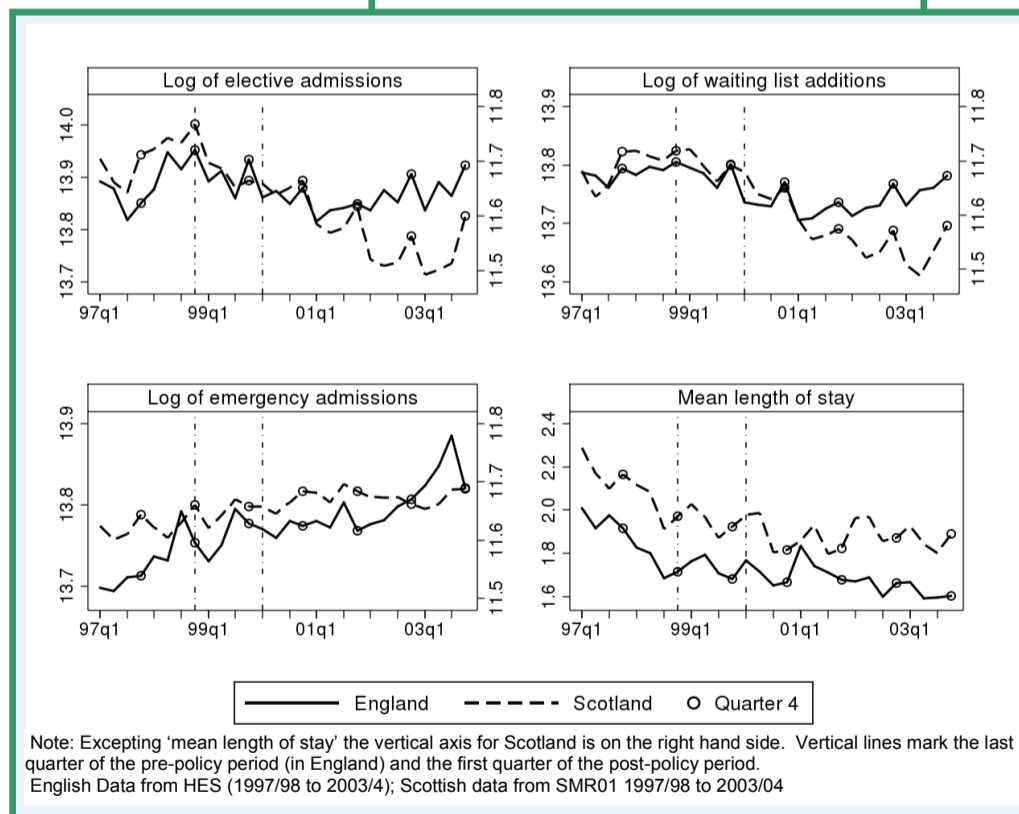
- ❖ We exploited the fact that the targets were a natural experiment. The policy was implemented in England, but not in Scotland. We used this difference between England and Scotland to identify whether the policy led to a fall in waiting times in England.
- ❖ We further focused on behaviour at the hospital level in England to test that the results were due to the policy and not to other factors such as increases in resources, using variations of the toughness of the targets between hospitals and within hospitals over time.

### Aims

The main aims of this research were:

- ❖ to examine whether the target regime achieved its goal of reducing the long waits for elective treatment;
- ❖ to examine whether this was at the expense of performance on other activities that were not subject to targets;
- ❖ to investigate whether hospitals 'gamed' the targets, by categorising patients in ways that meant they were not counted or by reshuffling patients on the list so that patients were treated in terms of list priority rather than medical need; and
- ❖ to examine the impact of the policy on quality of patient care.

**Figure 1**  
Distribution of waiting times in England and Scotland. Targets for maximum waiting times in England fell progressively from 18 months in 2000 to 9 months in 2003 while in Scotland there was a nominal target of 12 months until 2003, and 9 months thereafter.



**Figure 2**  
Country-level activity 1997-2003

### Findings

- ❖ The targets reduced waiting times by 13 days at the mean, with larger reductions for higher waits for England, as compared with Scotland.
- ❖ Levels of non-emergency (elective) care rose in England, with no apparent reductions in non-targeted activity (emergency care and length of stay).
- ❖ We found no evidence of re-ordering of patients on lists to meet targets.
- ❖ We found no evidence of a fall in quality of care.
- ❖ We found some evidence of waiting list manipulation: patients were removed, temporarily and permanently, from waiting lists. The policy appears to have met its aim with no evidence of negative side effects on patient health. Three possible reasons are:
  - ❖ The targets may have acted as a 'mission' for NHS employees.
  - ❖ Production may have been reorganised on a long term basis.
  - ❖ The policy was in effect during an era of generous resources.

Find out more...



For more information contact Frank Windmeijer  
(f.windmeijer@bristol.ac.uk)

[www.publicservices.ac.uk](http://www.publicservices.ac.uk)

