Briefing

Managing the potential for gaming and unintended consequences of health targets

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To:	Hon Dr Shane Reti, Minister of Health		
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Minister's office to complete:

☐ Approved	☐ Decline	☐ Noted
☐ Needs change	☐ Seen	☐ Overtaken by events
☐ See Minister's Notes	☐ Withdrawn	

Comment:

Managing the potential for gaming and unintended consequences of health targets

Security level:	IN CONFIDENCE	**Date:**	21 May 2024
To:	Hon Dr Shane Reti, Minister of Health		

Purpose of report

1. This briefing provides advice on the potential for unintended consequences and gaming of the Government's health targets. It provides potential mitigating actions and options for monitoring.

Summary

2. The Coalition Government's five health targets were announced on 8 March 2024, and the all-of-Government target suite on 8 April 2024. Manatū Hauora | Ministry of Health (the Ministry), Health New Zealand | Te Whatu Ora (Health NZ) and other health entities are now working through the steps required to put the targets programme in place from 1 July 2024.
3. Research from New Zealand and overseas shows targets can improve performance through influencing service provider behaviour, but by the same mechanism may generate unintended consequences including gaming where performance is made to appear better than it is.
4. Unintended consequences and gaming of targets may play out at any level of the health system where incentives and opportunity exist, generating distortions of clinical and service provider decision-making and performance measurement issues.
5. Mitigating strategies include:
    a. keeping performance improvement pressure and focus in the 'goldilocks zone' (not too much, not too little)
    b. engaging clinical leaders and the health workforce in implementing the target programme
    c. using a range of measures to regularly monitor health system performance
    d. ensuring all targets and balancing measures are monitored with a disaggregated view to avoid unwarranted variation
    e. auditing of performance data
    f. reviewing the impact of the target programme regularly and adjusting settings as necessary.

6. Ensuring that quality data are available for reporting purposes for each of the targets, with the ability to disaggregate, will be the most important factor in ensuring integrity of reported results.

7. The Board of Health NZ, the Ministry and independent entities such as Audit NZ and the Health Quality and Safety Commission (HQSC) all have roles in monitoring and providing assurance for the health targets programme.

8. While it is important to detect gaming and unintended consequences where these occur, monitoring of targets should not inhibit Health NZ from considering ways to innovate to increase productivity and efficiency.

9. Previous evidence suggests there is little opportunity to game the childhood immunisation target. Gaming of wait time targets is likely to involve inconsistent application of definitions and business rules and variations in 'clock-stopping' to make it appear the target has been met.

Simon Medcalf
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Date: 21 May 2024

Hon Dr Shane Reti
Minister of Health
Date:

Managing the potential for gaming and unintended consequences of health targets

Background

1. You announced the Coalition Government's five health targets on 8 March 2024. The Ministry, Health NZ and other health entities are now working through the steps required to put the health targets programme in place by 1 July 2024.

2. Two of the five health targets (shorter stays in emergency departments and shorter wait times for elective treatment) are also included in the suite of Government targets, with a focus on delivery by 2030.

3. You have previously been advised of the potential for the targets programme to produce unintended and potentially adverse consequences (H2023032864 refers). This briefing outlines the likely unintended consequences, including gaming, associated with the announced health targets and suggests mitigating actions and focus areas for monitoring.

4. The insights in this paper, together with your feedback, will inform the approach taken to designing, implementing and reviewing the targets programme and the broader development of our monitoring approach for 2024/25 and beyond.

Potential unintended consequences of the health targets programme

5. Evidence from previous health target programmes in New Zealand and internationally indicates that target programmes can contribute to health system improvement by influencing service provider behaviour and prioritising resource allocation. However, targets and other performance measurement programmes can also influence behaviour to generate perverse consequences not intended by policy-makers.

6. For example, the Shorter Stays in ED target previously in place in New Zealand resulted in verified and clinically significant reduction in ED overcrowding, length of stay and mortality[1]. However, unintended consequences including gaming were also observed. The challenge for the targets programme is to minimise any negative effects of the programme while supporting and retaining the benefits.

7. The most important unintended consequences that might result from a target programme includes:

    a. **Distortions of clinical and service provider decision-making**, for example:

        i. diversion of resource and attention from other system goals, including potentially unmeasured goals such as quality, patient experience, workforce satisfaction

[1] **Jones P, Wells S, Harper A, et al. 2017. Impact of a national time target for ED length of stay on patient outcomes. *NZMJ* 130 (1455): 15-34**

ii. reduced attention on improving outcomes for minority populations, as this has a smaller impact on overall achievement, leading to an increase in inequity

iii. a focus on short-term considerations at the expense of the longer-term goals

iv. adversely affected clinical prioritisation, where the performance measure does not allow for differentiation (for example by condition for patients awaiting elective treatment, or disposition for patients waiting in ED)

v. services performing above the target, allowing their performance to deteriorate or slow to meet the target and target timeframes.

b. **Measurement issues,** such as:

i. a focus on what can be measured at the expense of achieving important objectives that are difficult to measure (for example patient experience)

ii. over-reliance on a limited set of metrics as a basis for assessing performance.

c. **Gaming (deliberately making performance or quality appear better than it is)** through:

i. the deliberate misreporting or misrepresentation of information

ii. actions aimed at achieving the target, but which cannot be justified in terms of improving workflow or patient outcomes and may prove detrimental. Examples include underplaying the scope for performance improvement to reduce expectations over time, or developing categories for waiting patients that do not provide benefit for the patient but enables 'clock-stopping'.

Mitigating and monitoring for unintended consequences and gaming

8. Unintended consequences and gaming are inevitable in a target programme where there is a perception of 'high stakes' for those whose performance is being assessed. Monitoring for, and mitigating, unintended consequences and gaming relies on understanding the incentives that drive behaviour and where in the system the opportunity to game exists.

9. There are no specific financial incentives (bonuses or penalties) planned to influence behaviour for the current targets programme. There will, however, be reputational incentives at play, particularly from public reporting, which are to a certain extent being relied on to drive performance improvement in the target areas.

10. Unintended consequences and gaming may play out at any level of the health system where incentives exist. For example, previous research on the SSED target concluded that observed gaming could be attributed more to the strategies of senior management than motivations of individual frontline staff.[2]

11. Strategies to help mitigate these risks include:

a. **Keeping performance improvement pressure and focus in the 'goldilocks zone'** – not too much, not too little. Too much pressure will generate distortions, while too little pressure will not generate the change required.

[2] **Tenbensel T. Jones P. Chalmers LM et al. 2020. Gaming New Zealand's Emergency Department Target: How and why did it vary over time and between organisations.** ***International Journal of Health Policy and Management*** **9(4): 152-162**

b. **Engaging clinical leaders and the health workforce in implementing the target programme** including the development of actions to meet the target. This will support buy-in and ownership of the targets and their broader objectives.

c. **Using a range of measures to regularly monitor the performance of the health system** for unintended consequences, including measures designed to balance and provide additional information on target areas. Multiple performance measures will also reduce the opportunity to game that exists when single metrics are relied on.

d. **Ensuring all targets and balancing measures are monitored with a disaggregated view** by site, service, minority populations to ensure all areas of performance issues are visible and can be addressed and avoid exacerbating variations.

e. **Auditing of performance data** and investigation of unusual results and variations – for example, by looking at the distribution of results which may indicate gaming.

f. **Reviewing the impact of the target programme regularly,** for example to allow the organisation to innovate in the measured areas, or to determine if gaming is increasing.

Monitoring and assurance

12. Systems and processes are being put in place to monitor the health targets programme and provide assurance on the implementation of plans and the results achieved. This is a core design feature of the strategic monitoring framework that the Ministry has developed and which will be embedded in the GPS [H2024038271 refers].

13. Accountability for the delivery of performance improvement in the target areas will ultimately sit with the Board of Health NZ. Health NZ is currently establishing performance expectations for district and regional levels of the entity. National and disaggregated results will then be reported to the Board through a performance framework, which will also monitor for trends and variances to detect where further investigation is required. The Board must demonstrate that this process is robust and free from gaming within their organisation. Amongst other things, this process will help identify where unintended consequences are being generated and any potential instances of gaming.

14. The Ministry has an assurance role through monitoring the performance of the health system to detect trends that warrant review. The Ministry's assurance role also encompasses assessing the effective governance of Health NZ and that the appropriate processes are in place to support good governance.

15. In the interests of transparency, Health NZ will consult the Ministry on any plans to change operational policy that may affect the target areas and reported performance. While it is important to detect gaming and unintended consequences where these occur, monitoring of targets should not inhibit Health NZ from considering ways to innovate to increase productivity and efficiency. For instance, transforming models of care may be a legitimate way to improve health outcomes, but may not translate directly into how targets are measured and could appear as an outlier.

16. Ensuring the quality of data being used to report performance is central to the integrity of performance results. Establishing an effective quality assurance process from data collection to reporting is a key task for Health NZ.

17. An independent view of performance is also important. This may include routine audits by Audit NZ and regular review and comment by HQSC. HQSC is the system expert on safety and quality and the current monitor of patient experience through its two ongoing patient experience surveys. HQSC is looking at how these surveys can be further developed to detect for any impacts from the targets programme on patient experience of service access and waits.

18. **Appendix 1** provides a starting view of the likely adverse consequences, gaming behaviour and measures for monitoring, specific to each of the five health targets. In our view, the four wait time targets present the greatest opportunity for gaming (through 'clock stopping'). The immunisation target has not previously been subject to gaming.

19. Health NZ, the Ministry and HQSC will continue to work together to determine a suite of measures that will be the core for monitoring for gaming and unintended consequences. This list will continue to develop as the targets programme is rolled out.

Equity

20. The intention of the health targets is to improve performance across a suite of targeted areas for all New Zealanders. Currently, some New Zealanders experience more challenge in accessing health services than others, for example rural communities. One of the potential adverse consequences of the health targets programme is producing a focus on 'easy to reach' populations to improve overall results, rather than focusing resources on those population groups that need extra support and resource.

21. Disaggregation of reporting (for example by district, socio-economic status and ethnicity) where possible will help ensure service access and outcomes are experienced equitably.

Next steps

22. Health NZ is developing further advice on health targets in collaboration with the Ministry which will cover:

    a. Performance reporting:

        i. the role of the Health NZ's performance framework to monitor and report on progress;

        ii. leadership and accountability arrangements, including clinical leadership;

        iii. the public reporting process and story;

        iv. data quality assurance processes;

        v. escalation processes and performance levers.

    b. Balancing and supporting measures and monitoring for adverse consequences:

        i. additional measures for each target that will provide additional intelligence on performance;

        ii. how the process for determining these measures will include clinicians to support buy-in to the targets programme.

23. A Cabinet paper is also being prepared for you to take to the Social Outcomes Committee on 26 June 2024 on the health targets. This will cover general preparedness

for the health targets programme to go live from July 2024. It will also draw on relevant content from this paper, subject to your feedback, to set out how the programme will seek to address the risks of gaming.

ENDS.

Appendix 1: Potential gaming and unintended consequences for each health target

Consulted entities have agreed that the targets most likely to be subject to gaming are the shorter stays in ED target and two planned care targets. The immunisation target is the least likely to be gamed. Ensuring that quality data are available for reporting purposes for each of the targets, with the ability to disaggregate, will be the most important factor in ensuring integrity of reported results.

Target area		Potential examples	Potential mitigations	Starting focus for monitoring
Programme as a whole	*Unintended consequences*	Distortions of clinical and service provider (Health NZ) decision-making (outlined in paragraph 6a) Potential to increase inequities The suite of patient flow targets (planned care, FCT, SSED) may prove in conflict with each other, or at least competing for resources, making it difficult for management to know what to prioritise	Using a comprehensive range of measures for performance and system monitoring Disaggregation of reporting to detect impacts on smaller population groups	Assurance of effective governance, appropriate implementation plans and data quality assurance processes
	Gaming	Minimising of the apparent scope for performance improvement in any given year to decrease expectations for outyears A reluctance to share performance management data	Where possible, benchmarks for performance used independent of past performance Comparison of monitoring data from different sources and independent audits as appropriate	Being aware of the possibility of gaming behaviour at any level of the health system. Gaming is not encouraged, however gaming kept to a low level does indicate the targets programme is generating change and considered more than symbolic.
Shorter stays in emergency departments - 95 per cent of patients to be admitted,	*Unintended consequences*	Shorter stays in ED is in part a proxy measure for the improvements in performance required to acute care, in-hospital care and discharge procedures. All of these areas will need addressing	Specific plans in place to address: - Improved acute care pathways across hospital and primary care services	- Hospital length of stay (LOS) - Average ED LOS - Total ED LOS (including time spent in ED Observation Units) - Did not wait - Re-presentation to ED

Target area		Potential examples	Potential mitigations	Starting focus for monitoring
discharged or transferred from an ED within six hours		specifically, alongside ED flow considerations	- Increased availability of faster supported discharge processes	- Re-admission to hospital - ED and hospital mortality - ambulance ramping
	Gaming	'Stopping the clock': - removing patients from the ED information system when they are still in care in the department - patient in the acute area of ED is redesignated being 'under observation' when the patient does not physically move to an observation unit - inappropriate use of ED short stay or observation units	Comparing Health NZ and Ministry derived data Data reported and compared at site and district level	- A spike of ED LOS <15 minutes - A spike of activity around the target time - Use of ED Short Stay / Observation Units: Fewer than 20% of ED patients should legitimately require a period of observation in a designated observation unit prior to discharge. Fewer than 20% of ED Observation patients should subsequently require admission to a hospital ward
Improved immunisation for children - 95 per cent of children to be fully immunised at 24 months of age	*Unintended consequences*	Efforts and limited vaccination resources may be focused on 2-year vaccination at the expense of other age groups	Monitoring of vaccination rates across the childhood immunisation schedule	- Immunisation at 8 months and 5 years - Distribution and nature of providers delivering childhood vaccinations
	Gaming	Evidence from previous target regimes in NZ has shown limited evidence of gaming the immunisation target[3], likely as the denominator is set by the	- N/A	- N/A

[3] **Tenbensel T. Chalmers L & Willing E. 2013. Target practice: Are some targets more appropriate for some health policy problems than for others, and if so, why? In *International Conference on Public Policy*. Grenoble, France. Retrieved from** https://researchspace.auckland.ac.nz/bitstream/handle/2292/20649/Panel%2065_s2_TENBENSEL.pdf?sequence=7&isAllowed=y

Target area		Potential examples	Potential mitigations	Starting focus for monitoring
		national immunisation register (Aotearoa Immunisation Register)		
Faster cancer treatment - 90 per cent of patients to receive cancer management within 31 days of the decision to treat	*Unintended consequences*	A focus on the timeframes from diagnosis to treatment may divert focus from access issues experienced from the point of referral to diagnosis Variability in how referrals are triaged Potential to increase inequities as populations that are geographically closer to tertiary providers are easier to mobilise so may be seen more quickly	Nationally consistent definitions and monitoring that definitions are applied as intended Timely and consistent reporting Proactive escalation plans to prevent breaches. Consistent ways of doing breach analysis National visibility, including dashboards and integration with IT systems Independent review Sustainably supporting districts	62-day faster cancer treatment measure which captures timeframe from referral to treatment (31 day FCT covers those diagnosed through screening pathways or the ED) Disaggregated layers of reporting and review to ensure that all specialties performing well Ways to fairly consider the tyranny of small numbers
	Gaming	Variable interpretations of decision to treat date Delays in accessing diagnostic services Queuing patients before decision to treat Use of maintenance treatments as a holding measure before substantive treatment	Establishing one agreed set of FCT Business Rules as the source of the truth and monitoring adherence	Wait times for diagnostics Timeframe from first diagnostic to definitive diagnosis A review of all data which consistently hits 100% performance
Shorter wait times for first specialist assessment – 95 per cent of patients to wait less than	*Unintended consequences*	Increasing levels of unmet need in the community from rationing techniques that make it harder to access services Potential to increase inequities as populations that are geographically	Review of criteria of what constitutes an FSA - number of pathways (particularly Ortho MSK and Eye Care) have professional groups (Nursing and Allied	Follow up wait times Reduction in FSAs for specific patient groups

Target area		Potential examples	Potential mitigations	Starting focus for monitoring
four months for an FSA		closer to hospital services are easier to mobilise so may be seen more quickly Focus on FSAs may lead to longer wait times for follow ups being undertaken by the same workforce	Health) seeing patients but not counted as FSA	Repeat referrals for FSAs for the same person Significant increases in levels of virtual FSAs
	Gaming	Variable interpretations of receipt of referral date	Consistent application of business rules	Consistent adherence to business rules
Shorter wait times for treatment – 95 per cent of patients to wait less than four months for elective treatment	*Unintended consequences*	Increasing levels of unmet need in the community from rationing techniques that make it harder to access services	Reporting on volume of patients being removed/clock stopped from a wait list for a reason other than treatment (ROTT %) and investigating unwarranted variation	- Retrospective total FSA referral to elective treatment time - Average number of specialist appointments before referral to elective treatment - Changes in elective treatment numbers by DRG
	Gaming	Inappropriate 'suspension' (stopping the clock) Queuing of patients before decision to treat made	Reporting on volume of patients being removed/clock stopped from a wait list for a reason other than treatment (ROTT %) and investigating unwarranted variation Consistent application of business rules	- delay between receiving an FSA and being formally placed on a wait list for treatment - Consistent adherence to business rules

Minister's Notes