

Designing Incentives for Multitasking Agents: Evidence from Payments to Physicians in England

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CEPR-TSE Health Economics Conference, June 2025

Incentive Design with Multi-tasking

- ▶ Many incentive design problems involve multi-tasking, i.e., tasks are complements / substitutes
 - ▶ doctor tests blood for illness A \rightarrow easy to also test for illness B
 - ▶ teacher spends more time on subject A \rightarrow hard to also increase exam scores in subject B
- ▶ Well developed theory since [Holmstrom and Milgrom \[1991\]](#)
- ▶ Empirics have lagged behind:
 - ▶ counterfactuals require estimating interaction between pairs of tasks \rightarrow # of parameters grows rapidly with # of tasks
 - ▶ most applied work focuses on testing

This Paper

- ▶ Empirically tractable model of multitasking
- ▶ Proof of sufficient conditions for identification combining
 - ▶ aggregate variation in incentives
 - ▶ cross-sectional variation across agents in exposure to tasks
- ▶ Application to Quality and Outcomes Framework (QOF) in England
 - ▶ world's largest pay-for-performance scheme in primary care
- ▶ Strong evidence of interactions between tasks (multitasking)
- ▶ Counterfactuals (preliminary):
 - ▶ removal of QOF: payer's utility ↓ by 5%
 - ▶ optimal re-design: payer's utility ↑ by 3%

Roadmap

- 1 Setting & Data
- 2 Model
- 3 Identification & Estimation
- 4 Estimates & GOF
- 5 Counterfactuals (preliminary)
- 6 Conclusion

GP clinics (GPCs)

- ▶ \approx 8000 GPCs in England
- ▶ Provide prescriptions, minor interventions, referral to secondary care
- ▶ Zero prices to patients
- ▶ Revenue:
 - ▶ \approx 75% capitation (# of individuals registered, very mild risk adjustment)
 - ▶ \approx 25% financial incentives, mainly from QOF

Quality and Outcomes Framework (QOF)

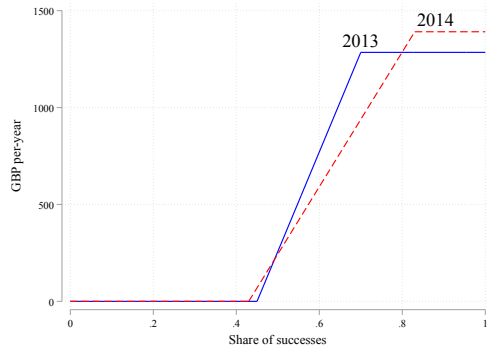
- ▶ Started 2004; several changes over time
- ▶ Gives GPCs yearly financial incentives to perform tasks (“indicators”), e.g.:
 - ▶ DM11: % of diabetes patients in whom the last glycohaemoglobin IFCC-HbA1c ≤ 64 mmol/mol
 - ▶ PAD4: % of patients with peripheral arterial disease taking aspirin or an alternative anti-platelet
- ▶ Success rate between 0% and 100%
- ▶ Total payments \approx £1B / year
- ▶ Electronic record-keeping \rightarrow minimal errors / cheating
- ▶ We focus on 40 “truly clinical” indicators

Data

- ▶ NHS public data covering 2009-2019
- ▶ GPC i , indicator j , year t
- ▶ Achievement y_{ijt}
- ▶ GPC covariates x_{it} (# of doctors in the clinic, average age, share of fully qualified physicians)
- ▶ # of relevant patients n_{ijt} (diabetics, asthmatics, etc)
- ▶ Incentives for each indicator over time

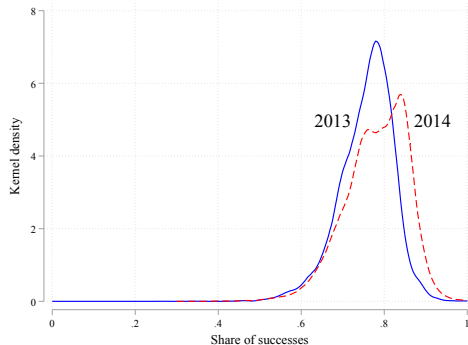
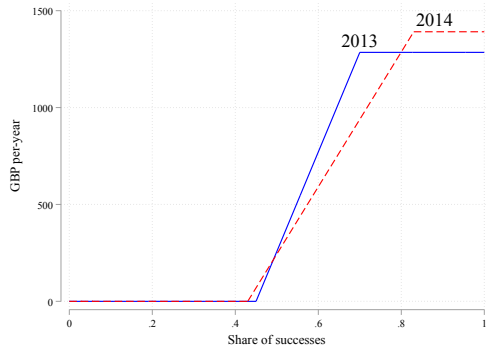
Piecewise linear incentives

- ▶ Success rate $y_{ijt} \in [0, 1]$
- ▶ Revenue per patient has slope α_{jt} for $y_{ijt} \in [\underline{y}_{jt}, \overline{y}_{jt}]$
- ▶ For instance, DM11 in a GPC with 300 patients:

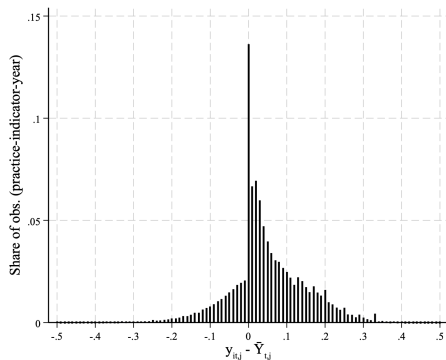


Piecewise linear incentives

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- ▶ For instance, DM11 in a GPC with 300 patients:



Bunching suggests strong response to financial incentives



For all indicators, distribution of $y_{ijt} - \bar{y}_{jt}$

- ▶ Achievement above \bar{y}_{jt} suggests non-financial motivation and/or complementarities between tasks
 - ▶ there is heterogeneity in bunching across indicators [◀ Details](#)

Summary of Reduced Form Evidence (details in the paper)

- ▶ Practices respond to
 - ▶ incentives
 - ▶ incentives \times exposure (n. of relevant patients)
- ▶ Cross-indicator interactions:
 - ▶ $\uparrow\uparrow$ incentives for $j \Rightarrow \Delta$ outcomes of k , ceteris paribus

◀ Details

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Simplified model: 1 task

- ▶ 1 GPC
- ▶ 1 Task
- ▶ n identical patients
- ▶ GPC chooses achievement $y \in [0, 1]$
 - ▶ assume n large \rightarrow negligible noise in y
- ▶ GPC utility:

$$U(y) = n\rho(y) + n\theta y - n\lambda y^2$$

- ▶ Financial Return (observed)
- ▶ Cost function $\theta y - \lambda y^2$. Our interpretation:
 - ▶ Non-financial return (expect to estimate $\theta > 0$ to explain $y > \bar{y}$)
 - ▶ Direct Costs

Simplified model: 2 tasks

- ▶ Achievement $y = (y_1, y_2)$
- ▶ Number of patients n_1, n_2
- ▶ GPC utility:

$$\begin{aligned}U(y) = & n_1 \rho_1(y_1) + n_2 \rho_2(y_2) \\& + n_1 \theta_1 y_1 + n_2 \theta_2 y_2 \\& - n_1 \lambda_1 y_1^2 - n_2 \lambda_2 y_2^2 \\& - 2(n_1 + n_2) \lambda_{12} y_1 y_2\end{aligned}$$

- ▶ We now add **Complementarities**
 - ▶ $\lambda_{12} > 0$: tasks are “substitutes”
 - ▶ $\lambda_{12} < 0$: tasks are “complements”

Many tasks ($J > 2$)

- ▶ Achievement $y = (y_1, \dots, y_j, \dots, y_J)$
- ▶ GPC utility

$$U(y) = \sum_j n_j (\rho_j(y_j) + \theta_j y_j) - y \Lambda y^T$$

where

$$\Lambda = \begin{bmatrix} n_1 \lambda_1 & n_2 \lambda_{12} & \cdots & n_J \lambda_{1J} \\ n_1 \lambda_{12} & n_2 \lambda_2 & & \\ \vdots & & \ddots & \\ n_1 \lambda_{1J} & n_2 \lambda_{2J} & & n_J \lambda_J \end{bmatrix}$$

- ▶ Model implies constant returns to scale
- ▶ We assume that GPCs
 - ▶ are homogeneous in λ_j and $\lambda_{j,j'}$
 - ▶ data rationalized by heterogeneity in θ_j

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Variation

- ▶ Exogenous variation in aggregate incentives (changes in $\underline{y}, \bar{y}, \alpha$ over time)
- ▶ Variation patient composition (\approx shift-share instrument):
 - ▶ Clinic A: 90 **diabetics**, 10 **asthmatics**
 - ▶ Clinic B: 10 **diabetics**, 90 **asthmatics**
 - ▶ Suppose payments rewarding **diabetics** health $\uparrow\uparrow$
 - ▶ this incentive is most important for A
 - ▶ Compare **asthmatic** patients in A vs. B
 - ▶ If **asthmatics** health improves more in A, **diabetes** and **asthma** care are complements

Endogenous patient composition

- ▶ Patient might select into “high quality” (high θ) practices [Brown et al., 2023]
- ▶ Solution: BLP to recover unobserved GPC quality $\xi \rightarrow$ let θ depend on ξ
- ▶ Utility of patient p , with illness j , in location ℓ , for GPC i in year t :

$$u_{piljt} = -\eta_j \log(z_{i\ell}) + \mu_j' x_{it} + \xi_{ijt} + \varepsilon_{pilt}$$

- ▶ Logit market shares $P_{ij\ell t}$
- ▶ IV: exogenous distance $z_{i\ell}$ from location ℓ to GPC i [◀ Details](#)
- ▶ If $\psi_{t\ell j}$ is (imputed) prevalence of illness j in location ℓ , observed number of patients is

$$n_{ijt} = \sum_{\ell} \psi_{t\ell j} P_{ij\ell t}$$

- ▶ We find ξ_{ijt} is indeed correlated with y_{ijt} (i.e., choice affected by quality) [◀ Details](#)
- ▶ In sum, the identifying assumption is: $n_{ijt} \perp \theta_{ijt}$ but only conditional on x_{it}, ξ_{ijt}

Distribution of unobservables

- ▶ We prove that Λ and $F(\theta \mid x_{it}, \xi_{ijt})$ are separately identified
- ▶ We parameterize

$$\theta_{itj} = \gamma_j^1 x_{it} + \gamma_j^2 \xi_{ijt} + \omega_i \zeta_{it} + \sigma_j v_{ijt}, \quad \zeta_{it} \sim \mathcal{N}(0, 1), v_{ijt} \sim \mathcal{N}(0, 1)$$

- ▶ Allows for correlation in θ_{itj} within GPC (via a simple factor structure, ζ_{it})

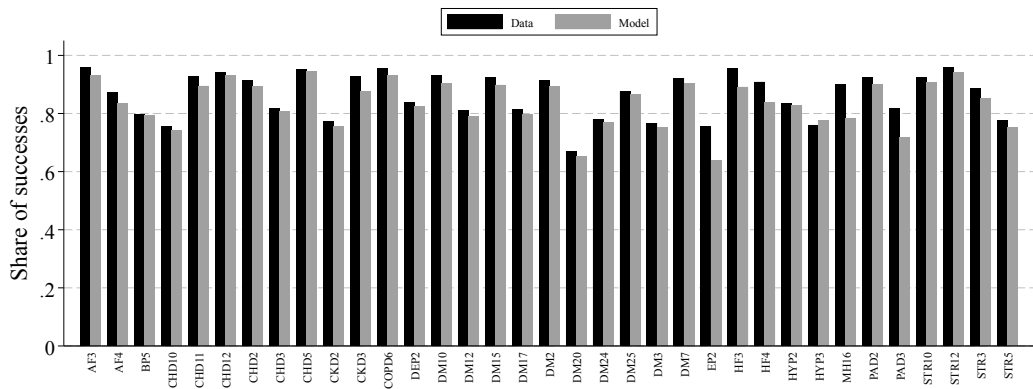
Estimation

- ▶ Assume observed y_{ijt} is optimal (up to integers)
- ▶ $\frac{\partial U_{it}}{\partial y_{ijt}}$ is linear in θ_{ijt}
- ▶ Intuition: analytical likelihood for θ_{ijt} is similar to a Tobit
 - ▶ First-order conditions holds for “interior” y
 - ▶ Inequalities hold if bunching at $y = \bar{y}$ or $y = 1$ [▶ Details](#)
- ▶ Integrate numerically over ζ_{it}

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Goodness of Fit: average achievement



Cost Matrix A

► Most indicators are complements (yellow / blue)

In those patients with Atrial Fibrillation in whom re is a record of a CHADS2 score of 1 (latest in preceding 15 months), % of patients who are ly treated with anti-coagulation drug rapy or an anti-platelet rapy.

In those patients with Atrial Fibrillation whose latest record of a CHADS2 score is greater than 1, % of patients who are ly treated with anti-coagulation drug rapy			
0.21	0.00	% of patients with hypertension in whom last blood pressure (measured in previous 9 months) is 150/90 or less.	
1.36	-0.10	-1.52 % of patients with coronary heart disease who are ly treated with a beta blocker (unless a contraindication or side -effects are recorded).	
-0.17	0.51	-7.48 -4.10 % of patients with coronary heart disease in whom last blood pressure reading (measured in previous 15 months) is 150/90 or less.	
-1.94	0.21	-4.34 -4.43 -7.47 % of patients with coronary heart disease whose last measured total cholesterol (measured in previous 15 months) is 5mmol/l or less.	
0.98	0.51	-0.78 -5.70 -15.66 -4.26 % of patients with coronary heart disease with a record in preceding 12 months that aspirin, an alternative anti-platelet rapy, or an anti-coagulant is being taken	
0.45	0.87	-0.18 0.10 -0.43 0.26 -0.90 % of patients with a history of myocardial infarction (from 1 April 2011) ly treated with an ACE inhibitor (or ARB if ACE intolerant), aspirin or an alternative anti-platelet rapy, beta-blocker and statin	
-0.65	-1.87	-0.51 -2.55 -16.11 -5.89 -13.77 1.21 % of patients with coronary heart disease who have had influenza immunisation in preceding 1 September to 31 March	
-1.86	0.61	1.85 -2.48 -1.75 -3.31 0.82 0.12 -1.17 % of patients on CKD register in whom last blood pressure reading, measured in previous 15 months, is 140/85 or less.	
0.18	-0.18	-0.21 0.88 -0.71 1.30 -0.98 -1.02 1.08 0.00 % of patients on CKD register with hypertension and proteinuria who are treated with an angiotensin converting enzyme inhibitor (ACE-I) or angiotensin receptor blocker (ARB) (unless a contraindication or side effects are recorded).	
-0.78	-0.14	0.54 -1.28 -1.74 1.00 0.86 0.06 -3.33 -0.20 0.10 % of patients with COPD who have had influenza immunisation in preceding 1 September to 31 March.	
-0.24	0.72	0.78 -1.66 -0.13 -0.30 0.52 0.04 -0.10 0.17 % of patients aged 18 or over with a new diagnosis of depression in preceding 1 April to 31 March, who have been reviewed not earlier than 10 days after and not later than 56 days after date of diagnosis	
1.74	-5.96 1.01 0.08 -1.49 0.55 0.48 2.22 1.42 0.85 3.79 % of patients with diabetes in whom last HbA1c is 10 or less (or equivalent test/reference range depending on local laboratory) in previous 15 months.		
1.00	1.23	-4.58 0.29 0.87 -0.42 0.42 0.43 0.82 -1.00 1.33 1.12 -0.50 % of patients with diabetes, on register, in whom last IFCC-HbA1c is 64 mmol/mol or less in preceding 12 months	
0.87	1.07	-3.71 0.73 0.35 0.03 -0.36 -0.02 1.36 1.40 -0.07 2.24 -0.30 % of patients with diabetes in whom last HbA1c is 9 or less (or equivalent test/reference range depending on local laboratory) in previous 15 months.	
0.36	-6.91 -0.27 -3.06 1.47 -0.25 -0.44 -0.40 -2.75 -0.14 0.31 -0.86 0.71 -2.11 % of patients with diabetes in whom last blood pressure is 145/85 or less.		
0.04	0.30	-0.15 -0.42 2.76 2.93 2.43 -0.42 -11.65 0.78 -0.69 -1.90 -0.27 -2.65 -0.19 -2.88 -5.49 % of patients with diabetes who have had influenza immunisation in preceding 1 September to 31 March.	
0.63	0.29	-3.58 -2.03 -1.07 1.31 1.32 0.40 2.91 0.12 -0.01 1.03 0.03 1.99 -1.26 -4.06 % of patients with diabetes in whom last blood pressure is 150/90 or less.	
0.63	-0.54	-2.53 0.45 -3.25 2.06 -2.19 -0.22 1.74 -1.82 0.12 0.01 -0.06 -1.05 0.31 -0.81 -11.09 % of patients with diabetes, on register, in whom last blood pressure reading (measured in preceding 12 months) is 140/80 mmHg or less	
-0.09	-0.98	-0.35 -0.70 1.28 -4.55 -1.70 0.27 3.69 0.19 -0.01 -0.61 0.36 -7.33 -2.98 -5.63 -7.57 -5.26 -1.60 -5.01 % of patients with diabetes whose last measured total cholesterol within preceding 15 months is 5mmol/l or less	
0.25	0.11	-0.18 0.13 0.46 -0.30 -0.25 0.17 0.15 0.06 -0.59 0.04 -0.17 0.64 0.09 0.35 0.03 -0.42 0.16 -0.12 0.02 % of patients with diabetes, on register, with a diagnosis of nephropathy (clinical proteinuria) or micro-albuminuria who are ly treated with an ACE-I (or ARBs)	
-2.18	-1.26	-5.91 1.05 -0.91 0.12 -2.38 -0.36 0.34 -1.06 -0.51 -2.10 0.84 -10.27 -17.03 -4.18 2.39 -1.09 -6.27 -1.58 -7.50 -0.06 % of patients with diabetes in whom last HbA1c is 7 or less (or equivalent test/reference range depending on local laboratory) in previous 15 months.	
-0.84	0.30	0.30 1.83 -0.29 -0.57 0.17 0.22 -0.26 -1.81 -0.88 -0.27 0.53 3.30 -0.85 1.15 0.90 -1.00 2.73 1.64 0.52 0.50 -0.68 % of patients aged 18 and over on drug treatment for epilepsy who have been seizure free for last 12 months recorded in previous 15 months.	
-1.44	-0.37	-0.57 1.52 0.63 -3.36 -1.09 0.34 0.26 -0.08 0.01 -0.50 0.14 -0.24 -0.51 2.15 -0.61 -0.85 -0.89 0.11 -0.31 -0.66 1.57 -0.61 % of patients with a diagnosis of heart failure due to Left Ventricular Dysfunction (LVD) who are ly treated with an ACE inhibitor or Angiotensin Receptor Blocker (ARB) , who can tolerate rapy with no contra-	
-1.11	-1.44	0.02 -0.86 -0.06 0.14 0.68 -0.20 0.80 0.12 -1.72 -0.76 -0.38 0.02 0.36 0.45 -0.49 0.24 -0.46 -0.95 0.31 1.07 1.65 -12.69 % of patients with heart failure due to LVD who are ly treated with an ACE inhibitor or Angiotensin Receptor Blocker, who are additionally treated with a beta-blocker licensed for heart failure, or recorded	
-0.37	-0.39	-0.55 0.06 -2.21 -0.21 -2.38 -1.50 -0.06 -0.46 -0.24 -4.56 -2.96 0.48 -1.77 -3.39 -1.09 -1.18 -7.21 0.74 0.71 -0.03 % of patients with hypertension in whom last blood pressure reading (measured in preceding 9 months) is 150/90 mmHg or less	
0.97	0.04	1.37 -4.89 1.72 0.05 2.27 2.54 1.14 1.55 0.08 1.15 0.57 -0.73 -1.76 -0.47 2.87 0.01 0.49 -2.17 1.05 -0.14 -3.79 % of patients aged 79 or under with hypertension in whom last blood pressure reading (measured in preceding 9 months) is 140/90 mmHg or less	
-0.46	-1.43	0.20 0.52 0.83 0.70 0.80 0.92 0.02 -0.25 -1.43 -0.92 1.08 -3.30 -0.54 -1.66 0.55 1.00 0.05 -0.42 0.70 0.71 1.84 % of women with schizophrenia, bipolar affective disorder and or psychoses whose notes record that a cervical screening test has been performed in preceding 5 years.	
3.10	-0.16	-0.28 0.22 -2.53 0.81 1.84 0.58 0.14 -0.63 -1.27 0.18 0.24 1.88 1.68 0.17 0.19 -1.16 -0.38 0.02 -1.30 -0.41 -4.86 -1.09 -0.22 -0.03 -0.11 % of patients with peripheral arterial disease in whom last blood pressure reading (measured in preceding 15 months) is 150/90 or less	
3.48	-0.94	0.41 2.57 -0.29 -4.30 0.64 -0.82 0.52 -1.06 -0.62 0.33 0.38 0.00 -0.96 0.21 0.42 0.20 -0.01 0.73 -0.38 -0.43 1.94 1.65 2.52 -2.36 0.58 -2.82 % of patients with peripheral arterial disease in whom last measured total cholesterol (measured in preceding 15 months) is 5.0mmol/l or less	
0.49	0.10	-0.06 -0.97 1.46 1.05 -2.32 0.16 0.36 -0.39 0.10 -1.08 -0.76 0.62 0.99 -0.55 0.68 -0.68 -0.17 -0.09 -1.21 0.56 -1.84 -0.09 -0.13 -0.05 0.14 12.56 -1.34 % of patients with peripheral arterial disease with a record in preceding 15 months that aspirin or an alternative anti-platelet is being taken	
-1.55	-0.53	-0.29 0.86 -4.41 1.06 7.30 0.58 3.87 -0.29 0.85 -0.77 -0.85 0.66 0.25 0.64 -1.28 0.52 -0.19 -0.35 0.22 -0.14 -0.02 1.07 -0.09 -0.53 0.46 -1.27 -0.68 -0.36 0.47 % of patients with a history of TIA or stroke in whom last blood pressure reading (measured in previous 15 months) is 150/90 or less.	
-1.77	-4.77	0.01 -0.21 1.89 2.40 -3.86 0.41 1.89 -0.07 -0.23 -0.95 -0.81 1.08 1.07 0.38 -0.61 0.47 0.48 -0.87 -0.48 -0.19 -1.01 -1.96 2.28 -0.61 0.16 0.35 0.57 1.79 1.20 -0.91 -5.10 % of patients with a stroke shown to be non-haemorrhagic, or a history of TIA, who have a record that an anti-platelet	
-3.15	1.55	0.16 -1.58 1.54 -8.30 1.94 0.75 1.90 -2.48 -2.36 -1.94 1.59 0.43 0.07 0.58 2.77 -0.59 0.64 2.23 -2.69 0.05 0.73 7.60 0.81 -0.53 2.19 -3.95 0.23 -0.46 -4.32 -1.38 -5.84 -4.45 % of patients with TIA or stroke whose last measured total cholesterol (measured in preceding 15 months) is 5 mmol/l or less	
0.55	-1.13	-0.48 1.65 3.61 1.27 2.77 -0.47 -16.44 -0.21 0.57 -1.57 -0.50 0.90 0.30 0.63 0.95 -1.80 0.59 0.43 0.71 0.00 -0.29 1.45 1.94 0.50 0.50 -0.43 0.57 -0.58 -0.21 -0.10 -13.61 -4.44 -5.38 % of patients with TIA or stroke who have had influenza immunisation in preceding 1 September to 31 March.	

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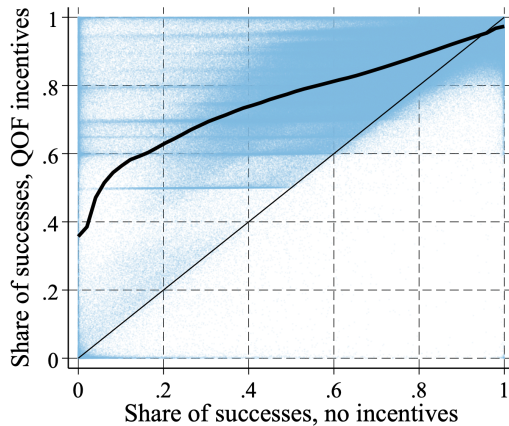
Payer's objective

- ▶ b_j are health benefits net of medical costs for indicator j
 - ▶ observed, in £, from NICE guidelines
 - ▶ known only for 20 indicators (out of 40)
- ▶ Payer's objective is

$$W = \sum_{i,j,t} n_{ijt} \int (y_{ijt}^* b_j - \rho_{jt}(y_{ijt})) f(\theta_{ijt}) d\theta_{ijt}$$

where y_{ijt}^* is optimally chosen by GPCs and depends on incentives $\rho_{jt}(\cdot)$ chosen by the payer.

Shutting Down QOF: achievement



- Payer's objective drops by 5%

Optimal incentive design

- ▶ Fix \underline{y}_j and set $\overline{y}_j = 1$
- ▶ Choose slopes $\alpha = (\alpha_1, \alpha_2, \dots)$ to maximize the payer's objective W
- ▶ Computational feasibility: we k-means cluster GPCs into 20 groups by x_i, ξ_i, n_{ijt}
 - ▶ Maximize approximate W .
 - ▶ At the solution, compute outcomes for all GPCs

Optimal incentives

	No QOF Δ from QOF	QOF	Optimized QOF Δ from QOF
Practice payoffs	-348 -11%	3,240	164 5%
QOF payments	-353 -100%	353	199 56%
Medical costs	-1,431 -3%	43,189	683 2%
Health benefits	-5,553 -4%	131,565	3,857 3%
Welfare	-4,117 -5%	91,264	3,139 3%

- ▶ Shutting down QOF: payer's objective $\downarrow\downarrow$ by 5%
- ▶ Optimizing the QOF: payer's objective $\uparrow\uparrow$ by 3%

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Conclusion

- ▶ Empirically tractable principal-agent model with multitasking
- ▶ Sufficient conditions for identification relying on variation in exposure to different tasks
- ▶ Apply model to QOF program in England
- ▶ Ample evidence of response to incentives and multitasking
- ▶ Model allows counterfactuals:
 - ▶ Program generates large welfare gains
 - ▶ Scope for optimization of incentives accounting for multitasking

Thank you!

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Additional slides:

Literature

- ▶ Empirical models of multitasking: Slade [1996], Buser and Peter [2012], Hong, Hossain, List, and Tanaka [2018], Goes, Ilk, Lin, and Zhao [2018], Manthei and Sliwka [2019], Rodríguez-Lesmes and Vera-Hernández [2021], Kim, Sudhir, and Uetake [2022], Dinerstein and Oppen [2022]
 - ▶ We go beyond testing.
 - ▶ We quantify complementarities → can consider counterfactual designs
- ▶ Pay-for-performance in healthcare: Gaynor et al. [2004], Dumont et al. [2008], Mullen et al. [2010], Choné and Ma [2011], Clemens and Gottlieb [2014], Li et al. [2014], Einav et al. [2018], Gupta [2021], Rodríguez-Lesmes and Vera-Hernández [2021], Einav et al. [2022], Gaynor et al. [2023], Dunn et al. [2024], Shi [2024], and many more
 - ▶ We incorporate multitasking
 - ▶ We focus on primary care in non-US context

Analytic MLE

- ▶ For instance, in the 2D case:

$$\frac{\partial U}{\partial y_1} = n_1 \rho'_1(y_1) + n_1 \theta_1 - 2n_1 \lambda_1 y_1 - (n_1 + n_2) \lambda_{12} y_2$$

- ▶ If data is $y_1 = 1$, and knowing $\rho'_1(1) = 0$, then

$$\frac{\partial U}{\partial y_1} \big|_{y_1=1} \geq 0 \Leftrightarrow \theta_1 \geq 2\lambda_1 + \frac{n_1 + n_2}{n_1} \lambda_{12} y_2$$

- ▶ If $y_1 \in (\overline{y_1}, 1)$, the FOC holds, so

$$\frac{\partial U}{\partial y_1} = 0 \Leftrightarrow \theta_1 = 2\lambda_1 y_1 + \frac{n_1 + n_2}{n_1} \lambda_{12} y_2 - \rho'_1(y_1)$$

- ▶ Bunching: $y_1 = \overline{Y_1}$. This implies

$$n_1 \rho'_1(\overline{Y_1}) + n_1 \theta_1 - 2n_1 \lambda_1 \overline{Y_1} - (n_1 + n_2) \lambda_{12} y_2 \geq 0$$

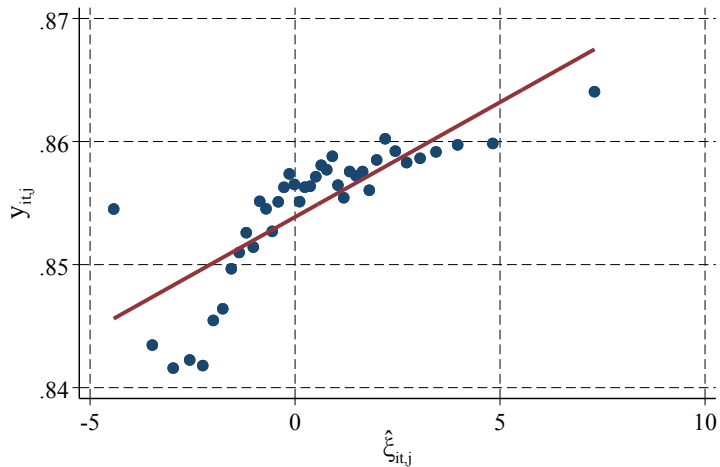
$$n_1 \theta_1 - 2n_1 \lambda_1 \overline{Y_1} - (n_1 + n_2) \lambda_{12} y_2 \leq 0$$

Summary Reduced Form

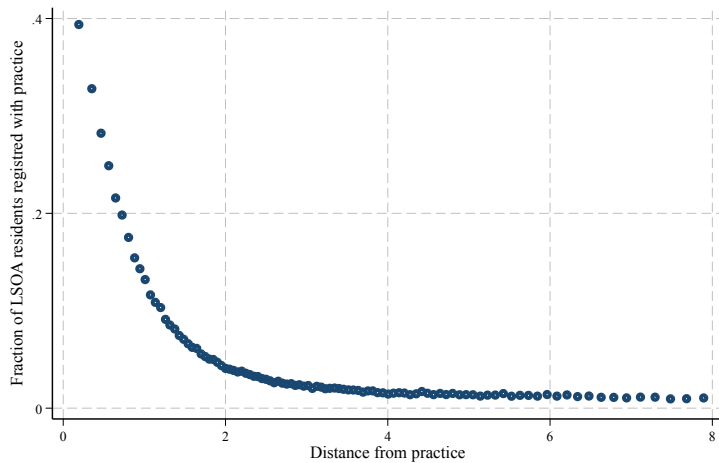
	Extra achievement indicator j (mean = 0.43, std = 0.11)				
	OLS	OLS	OLS	OLS	IV
Payment per patient (std = 0.09)	0.117 (0.001)	0.278 (0.003)	0.302 (0.003)	0.289 (0.004)	0.24 (0.004)
Share of patients (std = 0.04)		-0.541 (0.009)	-0.443 (0.008)	-0.425 (0.009)	0.084 (0.011)
Share of patients \times payment per patient (std = 0.004)		3.008 (0.091)	1.62 (0.089)	1.684 (0.091)	3.152 (0.109)
Controls			Yes	Yes	Yes
FE		Ind.	Ind., Practice	Ind., Practice	Ind., Practice
R-squared	0.012	0.285	0.362	0.363	-
Observations	2145595	2145595	2145595	2014257	2005257

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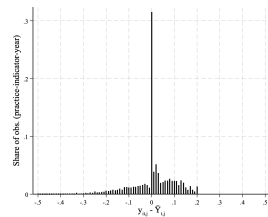
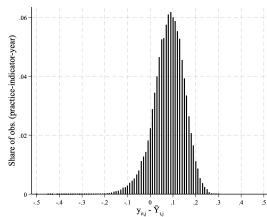
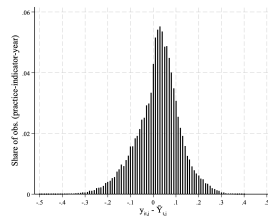
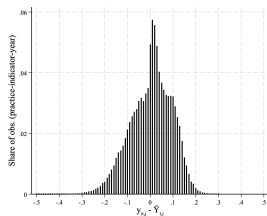
Demand residual is correlated with achievement



Distance shifts demand



Practices respond to incentives: heterogeneity



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