

Reviewer's report

Title: The Effect of Performance-Related Pay of Hospital Doctors on Hospital Behaviour: A Case-Study from Shandong, China

Version: 1 **Date:** 18 July 2005

Reviewer: Shenglan Tang

Reviewer's report:

General

The article has addressed a very important and interesting issue related to the reform of health care financing, particularly in China. The methods used for the study are well described in terms of their strength and weakness. The presentation of results and the discussion of key findings are generally speaking good. Most of the conclusions are sensible and sound. However, before the paper would be published, the following comments and suggestions may be considered.

Major Compulsory Revisions (that the author must respond to before a decision on publication can be reached)

Minor Essential Revisions (such as missing labels on figures, or the wrong use of a term, which the author can be trusted to correct)

There is an inconsistency of statements in page 20 and page 12 "a bonus switch from one with a weaker incentive to one with a stronger incentive was one of the factors explaining the decrease in the visits/admission ratio, but not the decrease in admissions/operation ratio, suggesting...." and "All 6 hospitals showed in a decrease in the admissions/operation ratio".

Discretionary Revisions (which the author can choose to ignore)

*The article mentioned that there were three types of bonus systems developed in China: flat bonus, quantity-related bonus, and revenue-related bonus. However, the six hospitals included in the study only applied the first and the last one of the bonus systems. Is there any literature or study looking at the effects of quantity-related bonus system?

*Since there have been changes in quality of services over the study period and also possibly the case mix, it might be problematic to state "... because the increase in inputs exceeded increase in outputs, most productivity indicators decreased (Table3) with exception of operation per doctor." The decline in productivity in most of Chinese hospitals might be more associated with the increases in hospital staff/hospital beds AND rapid rise of medical care cost (which has led to a significantly reduced demand for services because of poor affordability) - Page 10 and 14.

*The revenue-related bonus system might have encouraged higher admissions and operation rate. However, we should also understand that the use of more high tech and improved skills and knowledge over the past decade have also led to greater admission and operation rates.

*The article oughts to be careful in the use of term "containment of government cost" in its

conclusions. I understand that the government cost in the article indicates only the government health grants given to health facilities. The government has also provided a substantial chunk of fund to support social health insurance scheme, which was not well contained.

What next?: Accept after minor essential revisions

Level of interest: An article of outstanding merit and interest in its field

Quality of written English: Acceptable

Statistical review: No, the manuscript does not need to be seen by a statistician.

Declaration of competing interests:

I declare that I have no competing interests.