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To: Community provider Chief Executives  
CCG Accountable Officers  
Acute provider Chief Executives

Cc: STP leaders  
Regional Directors

**Publications Gateway Reference: 08330**

Dear colleague

### **Excess bed day incentive scheme**

We are writing to set out the key recommended features of voluntary local incentive schemes to reduce excess bed days, through collaboration between CCGs, acute and community providers. Local areas are expected to adopt an excess bed day incentive scheme to improve patient experience and improve efficiency across the local health economy. This is particularly important for the CCGs with the highest excess bed day spend per head of weighted population.

There is clear evidence that staying in hospital for longer than required drives adverse outcomes for patients. It is also costly to keep patients in hospital for longer than is necessary. Local areas should seek to reduce lengths of stay across the inpatient setting by following best practice guidance on discharging patients. NHS Improvement has published the “*Good practice guide: Focus on improving patient flow*”<sup>1</sup> which may be used as the starting point for a best practice discussion.

Whilst for some patients an extended length of stay will be clinically appropriate, there is significant variation across the country – the highest quartile of CCGs have almost three times the rate of excess bed days compared to those in the lowest quartile. This indicates that there are opportunities to reduce length of stay by transferring these patients to a more appropriate setting, including in the community. If all CCGs had an excess bed day rate per head of weighted population equal to the average of the upper quartile of performers, around 1 million bed days would be freed up from acute hospitals, equating to £0.2bn.

The onward transfer of patients to a more appropriate setting requires acute and community providers to work together with their local CCG. To encourage this further,

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<sup>1</sup> <https://improvement.nhs.uk/resources/good-practice-guide-focus-on-improving-patient-flow>

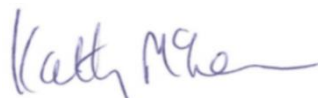
we have developed the attached document on local incentive schemes to reduce excess bed days. It recommends that community and acute providers agree a baseline level of excess bed days with their local CCG and a plan to reduce them below that level. All the savings to the CCG from this reduction should be transferred to the community provider, unless the local partners agree to share the savings in a different way. This will ensure that the funding follows optimal patient flows.

We are aware that some health systems have already implemented a scheme of this nature; where this has happened we are not seeking changes to the existing arrangements. However, where there is not a scheme in place for excess bed days and community investment, we encourage STP and ICS leaders to support this being rolled out in every system.

Yours sincerely



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