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Health Board



<b>Meeting Date</b>	<b>22 February 2022</b>	<b>Agenda Item</b>	<b>2.2</b>
<b>Report Title</b>	<b>Bed Utilisation/Efficiency</b>		
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<b>Report Sponsor</b>	Darren Griffiths, Director of Finance and Performance		
<b>Presented by</b>	Darren Griffiths, Director of Finance and Performance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	This report provides the Performance and Finance Committee with an update on the bed efficiency savings plan for the Health Board and suggested handling going forward.		
<b>Key Issues</b>	<p>The Health Board plan included an expectation of bed utilisation efficiencies, supported by service reinvestment.</p> <p>This paper provides an update on the identified opportunities, their timeframes and the funding source to support any required investment.</p> <p>The paper shows that: -</p> <ul style="list-style-type: none"> <li>• Schemes planned in 2021/22 could release bed efficiency equating to 173 beds full year effect</li> <li>• Funding has been made available through the Annual Plan to fund the service changes to deliver the benefits</li> <li>• The plan is affordable within the current financial plan and whilst there is slip on the delivery of the bed savings this slippage has already been mitigated by local schemes</li> <li>• The current bed reduction plan accounts for £6.9m of recurrent savings in 2022/23</li> <li>• The bed efficiencies could be utilised to reduce bed occupancy however that would result in a financial risk.</li> <li>• A number of pressures including greater than planned COVID occupancy and a substantial increase in clinically optimised patient numbers has prevented the bed release from being delivered.</li> </ul>		

	<ul style="list-style-type: none"> <li>• These pressures require further mitigating action in the financial plan and the reassessment of the savings profile regarding beds.</li> </ul>			
<b>Specific Action Required</b> <i>(please choose one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	<p>Committee members are asked to: -</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the service model changes and the impact on bed utilisation efficiency;</li> <li>• <b>NOTE</b> the impact on the financial plan for both 2021/22 and recurrently</li> <li>• <b>NOTE</b> the next steps in the development and implementation of these service model changes</li> <li>• <b>NOTE</b> the further work planned through the re-profiling of savings to ensure that savings are delivered and that investments deliver the benefits planned</li> </ul>			

## **BED UTILISATION/EFFICIENCY**

### **1. INTRODUCTION**

This paper provides an overview of the bed utilisation/efficiency opportunity enabled as a result of the planned delivery of service changes as set out in the 2021/22 Health Board Annual Plan.

The essence of the bed element of the Annual Plan in 2021/22 was to invest in schemes which supported patients to stay well, for longer at home; to avoid admission by providing suitable alternative models of care; and to reduce length of stay by developing services which accelerate safe, timely discharge and return to out of hospital care for patients.

### **2. BACKGROUND**

The Health Board plan included bed utilisation efficiency linked to benchmarking and supported by previous reviews undertaken by KMPG and Capita. This identified a potential total bed utilisation efficiency of 251 beds, which in a full year could deliver expenditure reductions of a total of £13.7m. It was recognised that service model changes were required to enable these bed utilisation efficiencies to be realised and the service model changes would require investment.

A sum of £5.15m was identified in the Health Board plan to support these service model changes and it was assessed that the impact of the associated reduction in bed day consumption could release beds which would equate to recurrent savings of £6.9m. The part year effect of these savings was included in the 2021/22 financial plan and the full year recurrent element accounted for recurrently.

The driver for these planned changes was to reduce pressure on acute services and provide safe, suitable alternative models of care outside of the acute hospitals. These plans had a quality, safety, workforce and financial benefit.

### **3. GOVERNANCE AND RISK ISSUES**

The Urgent Emergency Care Programme (UEC) is overseeing the service model changes and the assessment of bed utilisation opportunities.

In late 2020/21 47 beds worth of utilisation opportunities were realised, which released £3.163m in a full year for 2021/22. These opportunities are within the base plan for the Health Board.

The table below provides an overview on the bed numbers that were planned to be released as a result of the implementation of the new models of service which reduce bed day consumption.

Schemes	Estimated Date of Impact	Funding Source	Bed Utilisation Opportunity									
			August	Sept	Oct	Nov	Dec	Jan	Feb	March	2022/23	
AGPU	Sept	WG - AEC		4	4	4	4	6	6	6	6	6
AEC	Sept	WG - AEC			7	7	7	10	10	10	10	10
AMAU	April	Funding not yet confirmed										33
Virtual Beds/COTE	Jan	Agreed from plan							36	36	36	36
OPAS -extended day and weekend	Jan	WG - AEC							0	0	0	30
Home First - Pathway 2	Nov	Agreed from plan					18	18	18	18	18	18
Home First - Pathway 4 14 patients	August	D2RA WG funding		15	15	15	15	30	30	30	30	30
Specialist Palliative Care	Jan	Agreed from plan							10	10	10	10
111 Contact Phone First	Dec	WG funding confirmed							0	0	0	0
<b>Total Beds</b>				15	26	26	44	64	110	110	110	173

There are further service model changes being developed which will further enhance the level of bed utilisation opportunities, including; ICOP, Rehabilitation, HASU, further 7 day working and specific disease pathways. These are as yet unquantified in this analysis.

The bed savings assessment has been based on direct costs of £150 per bed day and the timing of the bed utilisation opportunity. This produces an indicative saving of £2.272m in 2021/22, which is £9.471m in a full year.

It is worth note that the first 47 beds of the plan were identified at the end of 2020/21 and have already been transacted for 2021/22. Therefore, the balance of the plan, following revised costing identified a potential recurrent impact of £6.9m in 2022/23 (the full year impact of the balance of the beds being removed after the 47 already taken).

During 2021/22 a number of pressures have emerged which have impacted this plan:

- Greater than planned impact of COVID on bed day consumption
- Slippage in the acute medical redesign work due to complexities with e Enfys capital programme
- Greater than planned numbers of clinically optimised patients within the existing bed stock, increasing length of stay and offsetting the impact of any service efficiencies planned
- Slippage in the initiation of the service change schemes such as virtual ward and specialist palliative care developments

Whilst a number of actions have been taken to mitigate these impacts, it has not been possible to deliver the bed release in 2021/22 which has had a financial impact in 2021/22 and a financial impact of the full year recurrent element in 2022/23.

It has been possible to mitigate the slippage on the savings plan in 2021/22 as the investments in the service change schemes also slipped. There is therefore no risk to the savings plan for 2021/22 as this has been covered

A risk has been developed and reported to the Performance and Finance Committee regarding the impact of slippage in the bed plan on the overall savings plan for the Health Board.

Discussions around the bed plan remain live and this is being considered in the broadest sense alongside the Acute Medical Services Redesign (AMSR) Programme. The next steps are to: -

- Ensure clear milestones on the implementation of each element of the service model change;
- Specific development of the two schemes, included in the bed utilisation assessment, where the funding requirements have not yet been finalised; AMAU and OPAS.
- Further development of other service model changes to ensure all opportunities are able to be realised;
- Development of clear metrics to monitor impact of service changes
- Clear agreement on how the bed utilisation improvement will be deployed. There is a trade-off between cash release and performance improvement which requires resolution.
- Re-profiling of the savings plan to account for the slippage in the bed programme and to develop alternative savings schemes to mitigate the impact on the recurrent base in 2022/23.

### Bed Occupancy and Modelled Service Demand

The modelled service demand has been developed based on the following assumptions:

Inclusion	Acute General Beds for Swansea Bay UHB
Emergency	Average Bed Days (Per Month) March 2016 - March 2020. 5 % Increase. Minus Efficiencies stated in paper.
Elective	Average Bed Days (Per Month) March 2016 - March 2020. 5 % Decrease.

The table below provides the modelled service demand for 2021/22

Month Year	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	2022/23
Modelled Demand Prior to Efficiencies													
Modelled Emergency Demand	929	924	920	915	898	894	907	908	915	964	936	919	919
Modelled Elective Demand	100	98	97	96	92	97	95	99	84	83	93	97	94
Total Modelled Beds excluding COVID	1029	1022	1017	1010	990	991	1002	1007	999	1047	1029	1016	1013
Funded Beds (Current)	963	963	963	963	963	963	963	963	963	963	963	963	963
Occupancy Levels	107%	106%	106%	105%	103%	103%	104%	105%	104%	109%	107%	106%	105%
Additional Beds to deliver 100% occupancy	66	59	54	47	27	28	39	44	36	84	66	53	50
Additional Beds to deliver 95% occupancy	120	113	108	100	79	80	92	97	88	139	120	107	103
Investment Enabled Bed Efficiencies					-15	-20	-20	-44	-64	-110	-110	-110	-173
Impact of bed efficiencies on occupancy	107%	106%	106%	105%	101%	101%	102%	100%	97%	97%	95%	94%	87%

This table shows that based on modelled demand the Health Board is on average 100 beds short of delivering 95% occupancy.

If the investment enabled bed efficiency opportunities are not used to reduce funded bed capacity, then occupancy levels reduce and it could be expected that occupancy

levels of around 97% could be achieved initially moving towards 95%. This would clearly impact on savings delivery and the financial plan.

The final column provides a 2022/23 view in which demand is based on the average demand levels and the full year investment enabled bed efficiency. This would allow 60 beds to be released and 95% occupancy levels delivered.

It should be highlighted that the modelled demand does not reflect the rising level of Clinically Optimised Patients and this could have a significant impact on demand and occupancy.

#### **4. FINANCIAL IMPLICATIONS**

The financial implications have been addressed above. However, in summary: -

- Recurrent funding is available for the service change schemes identified in the plan
- The loss of bed savings in 2021/22 has been offset by slippage in the investment programme
- The impact of not delivering the bed programme in 2021/22 on the recurrent saving baseline is £6.9m and mitigation must be found to address this to prevent increasing the Health Board's underlying deficit.

#### **5. RECOMMENDATION**

Committee members are asked to: -

- **NOTE** the service model changes and the impact on bed utilisation efficiency;
- **NOTE** the impact on the financial plan for both 2021/22 and recurrently
- **NOTE** the next steps in the development and implementation of these service model changes
- **NOTE** the further work planned through the re-profiling of savings to ensure that savings are delivered and that investments deliver the benefits planned

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
The service changes planned would provide more suitable models of care for patients outside of the hospital setting, spot patient deterioration more swiftly and reduce length of stay in hospital when hospital care is required.		
<b>Financial Implications</b>		
These are set out in the paper.		
<b>Legal Implications (including equality and diversity assessment)</b>		
There are none.		
<b>Staffing Implications</b>		
Any staffing released though bed reconfiguration would retain substantive employment and would reduce reliance on bank and agency across the Health Board		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
No implications for the Committee to be aware of.		
<b>Report History</b>	This is the first specific report on bed efficiency to the committee. The savings plan is routinely reported through the monthly financial report	
<b>Appendices</b>	There are none	