

The logo for the Toronto Staff Report features a stylized graphic of a city skyline on the left, followed by the word "TORONTO" in a large, bold, sans-serif font. To the right of "TORONTO", the words "STAFF REPORT" are written in a smaller, bold, sans-serif font. A horizontal line is positioned below the text.

# TORONTO STAFF REPORT

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June 11, 2003

To: Board of Health

From: Dr. Sheela V. Basrur, Medical Officer of Health

Subject: SARS Budget Pressures

Purpose:

To inform the Board of Health about the costs incurred by Toronto Public Health (TPH) for SARS Phase 1 and the estimated costs for SARS Phase 2 to mid-June, 2003. The costs from June 2003 to end of May 2004 for Toronto Public Health's ongoing work regarding surveillance and control of hospital-based infectious diseases are also outlined.

Financial Implications and Impact Statement:

Statements detailing the cost of SARS expenditures to date, and projected costs for ongoing requirements are attached as Appendix 1 and 2.

The estimated cost for Salaries and Benefits that have been redirected from other base programs from the onset of the outbreak to mid-June, is \$2.9 million. Total incremental costs of \$3.0 million include overtime (\$1.8 million) and non-payroll costs (\$1.2 million). Non payroll costs include one-time costs for computers, medical supplies, cell phones etc. bringing the total estimated cost to \$5.9 million. The Province has agreed to pay 100% of the incremental costs and negotiations continue for all other costs.

Ongoing public health surveillance and control of SARS-related illness will require dedicated funding that includes an additional 46 staff positions. The estimated annual cost for salaries and benefits is \$3.4 million plus overtime and non-salary items, for a total cost of approximately \$4.3 million.

Hiring of the required staff is proceeding before Provincial funding has been secured as directed by Council. There is no unallocated funding available for these additional costs should the Province not agree to provide 100% funding.

Although the actual 2003 variance will depend on the timeliness of staff recruitment and the level of funding available from the Province, at this time a budget adjustment is requested to

reflect half year costs totalling \$2.1 million (gross) with offset revenue of \$2.1 million from the Province. The Medical Officer of Health will report back on the status of funding negotiations as developments occur.

A program enhancement for the annualized costs will be submitted through the 2004 operating budget process.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) The Board of Health and City Council submit all costs incurred by Toronto Public Health for control of the SARS outbreak on a monthly basis to the Ontario Minister of Health for 100% provincial funding;
- (2) Toronto Public Health's 2003 Operating Budget be adjusted by \$2.1 million (gross) and \$0 (net) to reflect Council's decision to approve an additional 46 positions.
- (3) The Medical Officer of Health report to the Board of Health on the status of the funding negotiations as developments occur;
- (4) this report be submitted to the federal Minister of Health for information and appropriate action;
- (5) this report be referred to the Policy & Finance Committee for consideration; and
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

As has been reported previously, Toronto Public Health has been investigating and managing an outbreak of Severe Acute Respiratory Syndrome (SARS) since mid-March 2003. Costs incurred to date for Phase 1 and Phase 2 of the outbreak are outlined in Attachment 1 (estimated to mid-June, 2003).

These costs were reported directly to City Council at its May 2003 meeting. At this meeting, Council authorized Toronto Public Health to begin the process of staged hiring (approximately 46 positions) on a temporary basis to manage SARS on a more adequate basis and that this be funded 100% by the Province.

Comments:

In order to prevent and control hospital outbreaks in the future, TPH must establish a dedicated Hospital Infectious Diseases Unit for enhanced disease surveillance and public health response to hospital-based infectious diseases, including but not limited to SARS. This will help TPH to carry out its provincial mandate for infection control and the control of infectious diseases in hospital settings. Previously this work has not been accorded a high priority for public health funding.

The unit must include an adequate number and appropriate mix of public health physicians, public health nurses, public health inspectors, epidemiologists and finance staff, as well as administrative and IT support plus health risk communications capacity. This amounts to 46 positions for an estimated cost of \$3.4 million plus overtime and non-salary items, for a total cost of approximately \$4.3 million (see Appendix 2).

These funds will be required beginning June 2003 to address the following areas:

- (a) Ongoing management of SARS cases and reports, including enhanced disease surveillance and response in hospital settings.
- (b) Clearing of the backlog of postponed urgent work in other communicable disease programs, including TB control, STD/HIV prevention, routine disease surveillance and control of infectious diseases and infection control
- (c) Handling of administrative issues, e.g. response to Freedom of Information requests, documentation letters and information flow for compensation purposes, and response to legal matters.
- (d) Implementing hardware, software and communications infrastructure to ensure accelerated data entry and reporting to MOHLTC and to support SARS case and contact management.

There has been ongoing discussion with provincial officials at the Ontario Ministry of Health and Long Term Care, which has been assigned lead responsibility for consideration of outbreak-related costs among its transfer payment agencies. The Minister of Health and Long Term Care has publicly committed to covering all SARS-related costs at 100%.

While review of these costs is ongoing, there appears to be no impediment to 100% coverage of incremental expenses such as overtime and one-time expenses. However, base salaries and benefits for reassigned staff are not typically reimbursed by the provincial government on the rationale that they would normally be cost-shared as part of the base program (though only at 50%). While reimbursement is done if reassigned positions have been backfilled, backfilling was not feasible for the vast majority of reassigned staff during the height of the outbreak investigation. If TPH were to proceed with addressing the backlog with additional staff in the fall without the 100% Provincial funding commitment for SARS related expenditure, TPH would be in a position of going over its 2003 Approved Establishment.

As well, City Council approved TPH to begin a staged hiring of 46 positions on a temporary basis requesting that the cost for this be funded 100% by the province. The prolonged nature of this outbreak and the heavy drain on both staff and management, makes it critical that TPH proceed immediately with recruitment of these staff.

Conclusions:

This report outlines the costs incurred by TPH to date for management of the SARS outbreak. The ongoing costs for prevention and control of hospital-based SARS related illness are also projected.

It is recommended that past and projected outbreak-related costs be submitted to the Ontario Ministry of Health and Long Term Care for 100% provincial funding. It is also recommended that the Toronto Public Health 2003 Operating Budget be increased by \$2.1million (gross) and \$0 (net), which includes the additional 46 positions.

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Medical Officer of Health

List of Attachments:

Appendix 1 – Toronto Public Health Division – Costs Related to SARS  
Appendix 2 – Toronto Public Health Division – Hospital Infectious Diseases Staffing Plan