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COVID-19 PERSONAL PROTECTIVE EQUIPMENT SUPPLY (2021 ANNUAL REPORT OF THE AUDITOR GENERAL OF ONTARIO) BACKGROUND MATERIAL FOR HEARINGS*

Prepared for:

Standing Committee on Public Accounts

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PREAMBLE

This research package has been prepared by the Legislative Research office with input from the Office of the Auditor General (the Auditor). It provides a brief summary of the audit report, and relevant documents, for the Committee's hearings on the "Value-for-Money Audit: COVID-19 Personal Protective Equipment" (*2021 Annual Report of the Auditor General of Ontario*). Possible questions for Members to ask during the hearings are proposed below.

The following summary treats the audit as the authoritative source of information about the audit findings and related issues.

Note: Please refer to the audit itself (see Appendix item 1) when quoting the Auditor during hearings rather than to the Auditor's PowerPoint briefing as this is a confidential Committee document.

BACKGROUND

Personal protective equipment (PPE) mainly refers to wearable equipment such as aprons, overalls, gowns, face shields, goggles, gloves and masks, among other items, that is intended to protect the user from being exposed to infectious diseases or other hazards.[1]

Infectious diseases can be transmitted through direct or indirect contact. The Ministry of Health issued a directive on March 30, 2020 that outlined the PPE precautions and procedures for healthcare workers dealing with suspected, probable or confirmed COVID-19 patients. The directive included duties by employers to provide workers with information on how to use PPE, as well as an assessment of available PPE and any anticipated shortages.[2]

The Auditor noted that, at the beginning of the pandemic, there was no significant domestic manufacturing of PPE in Canada. Most PPE items were imported, with China supplying around 40 percent of Canada's PPE in 2018.[3]

According to the Health Pandemic Plan, released by the then Ministry of Health and Long-Term Care in 2004, healthcare providers (Ontario hospitals, long-term care homes, family doctors, clinics and retirement homes) are responsible for maintaining a four-week supply of PPE for emergencies. Additionally, the Ministry has decided to maintain an emergency provincial PPE stockpile that could provide PPE for four more weeks. Prior to the COVID-19 pandemic, this decentralized supply chain saw healthcare employers procuring PPE, through a supplier, directly from a manufacturer. During a pandemic, if a healthcare employer was unable to procure PPE through a supplier, it could request PPE from the emergency provincial stockpile, maintained by the Ministry of Health. During the COVID-19 pandemic, procurement for the stockpile was done by the Ministry of Health, in partnership with Ontario Health, the University Health

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[1] Auditor General of Ontario (AG), "Value-for-Money Audit: COVID-19 Personal Protective Equipment Supply," *2021 Annual Report*, p. 5.
[2] AG, pp. 5-6, 46.
[3] AG, p. 9.

Network (UHN) and health care sector Shared Services Organizations (Plexxus and Mohawk Medbuy). In April 2020, the Ministry of Government and Consumer Services assumed the responsibility of procurement of certain types of PPE and distribution to non-healthcare facilities.[4]

The Control Table (one of the sub-tables under the Health Command Table), established by the Ministry of Health in April 2020, was responsible for "co-ordinating oversight of, access to and distribution of PPE to health and non-health organizations, including monitoring the availability of PPE, and ensuring PPE is effectively distributed to health service providers and the broader public sector…."[5] The Control Table used an Ethical Allocation Framework to make decisions on PPE allocation. The framework assessed the urgency of need (based on the organization's current supply, number of positive COVID-19 cases, etc.) to determine the priority for available PPE supply in times of scarcity.

In November 2020, the government established Centralized Supply Chain Ontario (Supply Ontario), an agency mandated with centralizing the province's procurement and supply chain, including the supply chain for the healthcare sector. The agency was expected to be fully operational by November 2023.[6]

2021 Audit Objective and Scope

The objective of the audit was to "assess whether the Ministry of Health had efficient and cost-effective processes with clear responsibilities in place in order to:

- be prepared for a pandemic emergency by maintaining a sufficient stockpile of personal protective equipment in accordance with the Ontario Health Plan for an Influenza Pandemic; and
- respond quickly to a pandemic emergency by procuring and distributing sufficient additional personal protective equipment, with due regard for public safety."

The audit covered the period from January 2020 to March 2021, and focused on the province's preparedness and response with regard to personal protective equipment (PPE) between the onset of the COVID-19 pandemic and the audit period. The audit also provides recommendations to help the province's approach to similar events in the future.[7]

Audit Conclusions

The Auditor found that "Ontario was unprepared to respond with sufficient personal protective equipment (PPE) to the COVID-19 pandemic…." Additionally, "the Ministry of Health (Ministry) did not have on hand and ready for distribution the PPE stockpile required under the Ontario Health Plan…." The Auditor noted

[4] AG, pp. 9-10.
[5] AG, p. 10.
[6] AG, p. 19.
[7] AG, p. 14.

that the province would have been in a much better position to provide PPE to healthcare providers had the provincial stockpile been up to date.[8]

MAIN POINTS OF 2021 AUDIT

The following provides a high-level overview of the Auditor's major findings along with possible questions for Committee Members to ask during the hearings. For more details about the audit findings and recommendations, please consult the full audit report (references to the report are provided in footnotes for Members' convenience).

PPE Monitoring and Inventory Management

[Recommendations 1-2]

The Auditor reported:

- There was no requirement in place to monitor individual healthcare providers' levels of emergency PPE stockpiles at the start of the pandemic.[9]
- More than 80 percent of the PPE in the provincial stockpile had expired by 2017, with PPE expiration dates not monitored by the Ministry of Health.[10]

Possible Questions:

1. Does the Health Pandemic Plan currently require healthcare employers to maintain levels of PPE appropriate to their setting, and periodically report PPE levels to the Ministry of Health?
2. Has the Ministry of Health developed and implemented inventory management and control guidelines that include monitoring the expiration dates of PPE supplies? Has the Ontario Health Plan been updated to include these guidelines?

[8] AG, p. 4.
[9] AG, p. 16.
[10] AG, pp. 17-18.

PPE Procurement Processes and Data Collection

[Recommendations 3-5]

The Auditor reported:

- Ontario's initiative to centralize procurement (including PPE) was not ready in time to respond to the PPE shortage at the start of the pandemic.[11]
- At the onset of the pandemic, the Ministry of Health had no comprehensive data on how much PPE healthcare providers had on hand, how much they were procuring, or how much of the PPE was used (burn rate), resulting in limited ability to plan and strategize PPE procurement and distribution effectively.[12]
- There were significant delays at the beginning of the pandemic in supplying long-term care homes with PPE. Two main factors contributed to this:
    - the inventory of PPE on hand was not sufficient to support initial requests by long-term care homes at the beginning of the pandemic; and
    - further information and clarifications were needed from entities making the requests as initial requests had insufficient information on matters such as quantities and types of PPE being used.[13]
- There were delays in receiving PPE ordered between mid-March 2020 and June 2020, with the Ministry of Health and the Ministry of Government and Consumer Services receiving only 15 percent and 49 percent, respectively, of the ordered PPE by the end of June 2020.[14]
- Insufficient storage capacity for PPE resulted in a need to contract more warehouses and distribution centres across the province.[15]

Possible Questions:

3. What steps have the Ministry of Health and the Ministry of Government and Consumer Services taken to improve procurement decisions on personal protective equipment (PPE)? Have the ministries been collecting information on the burn rates of PPE in the healthcare and non-healthcare sectors?
4. What lessons have been learned from the expansion of the warehouse space and distribution network to store and deliver PPE orders? Have these lessons been incorporated into Supply Ontario's operations and the Ontario Health Plan?

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[11] AG, pp. 18-19.
[12] AG, pp. 20-21.
[13] AG, p. 23.
[14] AG, pp. 28-30.
[15] AG, pp. 31-32.

5. Have all the members of Supply Ontario's Board of Directors been appointed? Is the agency still expected to be fully operational by November 2023?
6. Has the Ministry of Government and Consumer Services put into place the systems that would enable Supply Ontario to collect the necessary information about Ontario's PPE supply? What are Supply Ontario's reporting requirements for this information?

Vulnerability to Disruption of PPE Supply

[Recommendation 6]

The Auditor reported:

- Global PPE availability was significantly reduced as demand surged.
- The worldwide shortage of PPE caused suppliers to place strict limits on the quantities of PPE that Ontario healthcare providers could order. These suppliers explained that this approach was to prevent hoarding of PPE and to ensure customers would continue to receive supplies.[16]
- The Ontario government and the federal government entered into separate agreements in August 2020 with 3M Canada to expand its Brockville, Ontario, manufacturing facility to produce made-in-Ontario N95 respirators in order to reduce the risk of supply chain interruptions, which have been prevalent during the pandemic.[17]
- The Ontario Together Fund was launched to support Ontario businesses retooling their operations and increasing their PPE manufacturing capacity.[18]

Possible Questions:

7. Has the province done an analysis of the optimal mix of manufacturing and importing PPE? What percentage of Ontario's PPE is still imported? How much is imported from China?
8. Are there long-term agreements in place with domestic companies that can be triggered when emergencies arise to scale up production of PPE?
9. Are there any plans to further expand the PPE manufacturing capacity in the province?

[16] AG, pp. 35-36.
[17] AG, pp. 36-37.
[18] AG, p. 37.

Transparency

[Recommendation 7]

The Auditor reported:

- There was no public-facing communication from the Ministry of Health and the Ministry of Government and Consumer Services of the Ethical Allocation Framework, which guided how scarce PPE supplies were being allocated.
- The Ethical Allocation Framework was presented only to select stakeholders.[19]
- There were recurring concerns and frustration by some stakeholders regarding the gaps in public communication surrounding PPE, including concerns over the allocation of supplies from the emergency provincial PPE stockpile and specifically, the processes used to allocate PPE, the province's distribution priorities and how to access PPE.[20]

Possible Questions:

10. Has the Ethical Allocation Framework been publicly communicated? If not, why not?
11. Has the Ethical Allocation Framework been incorporated into the Ontario Health Plan?

Training and Supplying Healthcare Workers with PPE

[Recommendation 8]

The Auditor reported:

- A tenfold increase in orders issued by the Ministry of Labour, Training and Skills Development for PPE violations in 2020 compared to 2019.[21]
- The lack of sufficient employee training on proper PPE use and storage resulted in frequent PPE violations in different settings, including long-term care and retirement homes.[22]

Possible Questions:

12. Has there been an increase in orders issued for PPE violations by the Ministry of Labour, Training and Skills Development in 2021 compared to 2020? Is improper PPE use and storage still a frequent cause of violation?

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[19] AG, pp. 38-39.
[20] AG, p. 39.
[21] AG, p. 40.
[22] AG, pp. 40-41.

13. Have the instances of PPE non-compliance in long-term care and retirement homes increased in 2021 compared to 2020?

APPENDIX

1. Auditor General of Ontario, COVID-19 Personal Protective Equipment Supply – a Value-for-Money Audit in the *2021 Annual Report* of the Auditor General of Ontario

2. Auditor's News Release

3. Auditor's Summary of Report (One-pager)