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SARS CLAIMS UPDATE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, September 8, 2003, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. This report be received for information.
2. The Province be requested to review its policy regarding reimbursement of non-incremental costs.

2. PURPOSE

The purpose of this report is to provide an update on costs incurred in dealing with the SARS outbreak and subsequent claims submitted to the Province of Ontario.

3. BACKGROUND

At its May 22, 2003 meeting, Regional Council received a staff report which provided an update of costs incurred in dealing with the SARS emergency. This report provides a further update on the costs incurred, claims submitted and payments received from the various provincial ministries.

4. ANALYSIS AND OPTIONS

4.1 Ministry of Health and Long Term Care (MOHLTC)

The SARS crisis put significant pressure on the Region's Health Services Department, resulting in the redeployment of staff resources to respond to the crisis. The outbreak also resulted in unplanned operating costs, including the establishment of the York Region SARS Assessment Clinic.

The total costs incurred to date by the Health Services Department is \$6.6 million for salaries and benefits, overtime, supplies and assessment clinic costs. This total includes \$2.3 million in salaries and benefits related to employees deployed / seconded from various program areas. The ministry considers these costs to be non-incremental and therefore ineligible for reimbursement. Other incremental salary costs such as overtime and temporary staff hired specifically to deal with the crisis are reimbursable at 100%. Incremental costs means SARS related costs incurred that are above the normal ministry approved budget for Health Service's programs. The ministry has confirmed in correspondence dated August 13, 2003 that incremental and extraordinary SARS costs will be reimbursed 100% by the ministry. To date, of the \$4.0 million in eligible cost

claims submitted to MOHLTC, \$708,000 of Emergency Medical Services (EMS) costs has been paid, representing 99.9% of the total EMS related claims; Long Term Care costs of \$259,000 have been reimbursed, representing 100% of incremental costs to the end of May; and, \$99,000 for Public Health. MOHLTC has advised that prior to making any further payment for Public Health, a review will be conducted to ensure that all expenditures submitted fall within the MOHLTC guidelines. Staff have not been advised when this will occur.

4.1.1 Ministry of Municipal Affairs and Housing (MMAH)

The ministry announced a program to reimburse municipalities for non-public health and land ambulance costs incurred as a result of SARS. As with MOHLTC, only extraordinary and incremental expenses are eligible. Costs incurred in the Police Services, Community Services and Housing, Emergency Management Branch and others were included in claims submitted to MMAH, totalling \$360,000. Non-incremental salary costs of approximately \$300,000 are ineligible and therefore not claimed. No payments have been received from the ministry to date.

4.1.1.1 Compassionate Assistance Program

This program was recently put into place to ensure that healthcare workers were not financially disadvantaged during the SARS outbreak. During the crisis, several employees of the Health Services Department were placed in home isolation. The Region's position was to pay those employees for the time spent in isolation. A total of approximately \$19,000 was paid to affected employees and claims for this amount have been submitted. No payments have been received from the ministry to date.

5. FINANCIAL IMPLICATIONS

In total the Region of York has incurred approximately \$7.2 million in SARS related costs. Of this amount, approximately \$2.6 million was paid in salaries and benefits to staff who were deployed from other programs. Because these costs are already funded through provincial programs or tax levy, they are not considered to be incremental or extraordinary and are consequently ineligible for reimbursement by the province. During the SARS outbreak all non-essential programs were put on hold. Essential services were provided, however, often at a reduced rate. Health Services staff are evaluating the impact of SARS on program delivery, however, a reasonably accurate assessment will not be available until the 2003 program year has been completed. A report will be forthcoming to the Health and Emergency Medical Services Committee in early 2004.

To date, the region has submitted claims totalling \$5.7 million and has received payment of \$1.07 million. A further \$1.3 million in non-incremental costs have been rejected, leaving a balance of \$3.23 million in unpaid claims.

The following Table 1 summarizes the costs and claims to date:

Table 1
Summary of SARS Costs and Claims

Costs (Millions \$)	Health Services	Other Departments	Total
Total Costs Incurred	6.6	0.6	7.2
Disallowed / Not Claimed	<u>2.6</u>	<u>0.3</u>	<u>2.9</u>
Net Costs Claimed	4.0	0.3	4.3
Claims Paid by:			
MOHLTC	1.07	---	1.07
MMAH	<u>---</u>	<u>---</u>	<u>---</u>
Net Claims Outstanding	2.93	0.3	3.23

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact associated with this report.

7. CONCLUSION

York Region incurred approximately \$7.2 million in costs dealing with the SARS outbreak. Of that total, the Province of Ontario deemed \$2.9 million non-incremental and therefore ineligible for reimbursement. Of the remaining \$4.3 million, the Province has paid \$1.07 million, leaving a balance of \$3.23 million to be reimbursed by the province.

The Senior Management Group has reviewed this report.