

Chapter 1

Section 1.05

Ministry of Health

Ministry of Public and Business Service Delivery

Ministry of Labour, Immigration, Training and Skills Development

Follow-Up on 2021 Value-for-Money Audit:

COVID-19 Personal Protective Equipment Supply

RECOMMENDATION STATUS OVERVIEW

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1				1	
Recommendation 2	2	1	1			
Recommendation 3	1		1			
Recommendation 4	4	4				
Recommendation 5	3	2	1			
Recommendation 6	2	2				
Recommendation 7	2	1	1			
Recommendation 8	1	1				
Total	16	11	4	0	1	0
%	100	69	25	0	6	0

Overall Conclusion

The Ministry of Health, Ministry of Public and Business Service Delivery (MPBSD) and Ministry of Labour, Immigration, Training and Skills Development, as of November 17, 2023, have fully implemented 69% of actions we recommended in our *2021 Annual Report*. The Ministries made progress in implementing an additional 25% of the recommended actions.

The Ministry of Health fully implemented five (45%) of the recommended actions, such as creating

an expiration guidance document to provide its warehouse instruction on when to ship personal protective equipment (PPE) and other supplies to health-care providers to prevent obsolescence or expiry. The Ministry was also in the process of implementing recommendations from experts who had been debriefed and interviewed about lessons learned from COVID-19 that could inform future pandemic planning. One early lesson was to use a flexible seasonal plan for management of future pandemics that will be kept current and relevant, and that would undergo an annual planning cycle to be reviewed and updated. As a result,

the Ministry was in the process of implementing a flexible seasonal plan to replace the Ontario Health Plan for an Influenza Pandemic, which included inventory management and control guidelines and an ethical allocation framework for PPE distribution.

For its part, the MPBSD had fully implemented four (36%) recommendations, such as developing a virtual inventory tool survey for data collection to capture information about PPE and critical supplies equipment consumption, inventory and deliveries. MPBSD had also put in place long-term agreements for procurement of critical PPE, including entering into domestic arrangements for surgical masks, N95 respirators, nitrile gloves, hand sanitizers and disinfectant cleaners. These agreements have the ability to scale up the production of PPE to meet demands brought on by an extraordinary event.

On July 31, 2023, the transition of staff and business operations from the Supply Chain Ontario division of MPBSD to Supply Ontario took place, including the transfer of responsibilities for the management, oversight and operations of the provincial stockpile of PPE and critical supplies and equipment.

The Ministry of Labour, Immigration, Training and Skills Development inspectors continued to verify that PPE, when it was required, was available and properly worn and used by workers. Ministry inspectors also checked for appropriate instruction and training on the use of PPE. Training is considered important for worker safety, and inspectors check for it when responding to workplace complaints (reactive field visits) and during regular inspections (proactive field visits).

The Ministry of Health will not be implementing our recommendation regarding changing the stockpiling in the Ontario Health Plan for an Influenza Pandemic to a requirement that health-care employers maintain a four-week, eight-week or 32-week supply of PPE as appropriate to their health-care setting requirements and report regularly to the Ministry of Health on their supply levels.

The status of actions taken on each of our recommendations is described in this report.

Background

This special audit was the last in a series undertaken by our Office concerning the Province's response to coronavirus disease (COVID-19). It looked at the preparedness and response of the provincial government in procuring, managing and distributing personal protective equipment (PPE) for both the health and non-health sectors.

Overall, we concluded that Ontario did not have sufficient PPE to respond to the COVID-19 pandemic. Long-standing issues had been identified but not addressed by the Ministry of Health, dating back to the early 2000s and the outbreak of Severe Acute Respiratory Syndrome (SARS).

Since that time, the Ministry had not maintained a sufficient centralized emergency PPE stockpile, leaving the Province with minimal usable PPE inventory to distribute in a time of crisis. For example, all N95 respirators had passed their expiry date. We confirmed there was no legislated requirement for the Province to monitor whether individual health-care providers maintained sufficient supplies of PPE either, as recommended under the Ontario Health Plan for an Influenza Pandemic.

Although provincial plans were under way to centralize provincial procurement of PPE, that was not in place when COVID-19 was declared an emergency in Ontario. As a result, the Province had to develop new ways of procuring PPE and obtaining province-wide information on PPE consumption rates, needs and availability during the pandemic.

Our testing confirmed that PPE was allocated in accordance with a newly developed Ethical Allocation Framework. However, the Ontario government did not publicly and transparently communicate how it was allocating its scarce PPE stock, and whether the newly developed Ethical Allocation Framework was being used to guide allocation decisions.

Some of our significant observations were:

- Most PPE in the emergency stockpile had expired by 2017. Our 2017 audit of Emergency

Management in Ontario reported that more than 80% of the pallets of stockpiled PPE supplies had already expired and the Ministry had begun destroying the supplies without replacing them.

- Health-care workers were not always properly protected with PPE. Our review of violation orders issued by the then Ministry of Labour, Training and Skills Development in 2020 found a tenfold increase in orders issued for PPE violations to health-care providers (including long-term-care homes and hospitals), with 229 orders issued in 2020 compared to only 22 in 2019. PPE violations resulted from employees' lack of access to appropriate PPE when required, and employers failing to ensure that employees were trained on how to properly wear, use and store PPE.
- The Ministry of Health did not have complete and consolidated information on PPE in the health-care sector at the start of the pandemic to make informed decisions. The Ministry had to create new reporting channels to obtain information about PPE availability and use in the health-care sector. In January 2020, the Ministry contacted health-care providers to obtain this information voluntarily from them, and contacted suppliers for information about supply. On March 27, 2020, the Minister of Health issued an order to health-care providers under the *Health Protection and Promotion Act* requiring them to report the quantity of PPE they had, their consumption rates and forecasts of future supply levels, beginning April 1, 2020. Initially, this information was collected by Ontario Health but on June 5, 2020, the Ministry of Government and Consumer Services (now named the Ministry of Public and Business Service Delivery) took over this responsibility.
- Centralized Supply Chain Ontario (Supply Ontario) was established on November 5, 2020, with a mandate to centralize the Province's procurement and supply chain, including the supply chain for the broader public sector, which

includes the health-care sector. In January 2021, Supply Ontario's first Board of Directors was established, with the goal to have the agency fully operational by November 2023. Supply Ontario will be responsible for collecting and analyzing inventory, procurement and other data relevant to the centralized supply chain.

We made eight recommendations, consisting of 16 action items, to address our audit findings. We received commitment from the ministries that they would take action to address our recommendations.

Standing Committee on Public Accounts

On March 30, 2022, the Standing Committee on Public Accounts (Committee) held a public hearing on our COVID-19 Personal Protective Equipment Supply audit. In February 2023, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations. The Ministry of Health and Ministry of Public and Business Service Delivery reported back to the Committee in June 2023. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.03** of our *2023 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between June 2023 and August 2023. We obtained written representation from the Ministry of Health, the Ministry of Public and Business Service Delivery and the Ministry of Labour, Immigration, Training and Skills Development that effective November 17, 2023, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Co-ordinated PPE Procurement Systems Not in Place in Ontario Prior to the COVID-19 Pandemic

Recommendation 1

So that the personal protective equipment (PPE) emergency supply recommendations in the Ontario Health Plan for an Influenza Pandemic (Health Pandemic Plan) are followed and the risk of a future potential PPE shortage is minimized, we recommend that the Ministry of Health include a requirement in the Health Pandemic Plan that health-care employers must maintain a four-week, eight-week or 32-week supply of PPE as appropriate to their health-care setting requirements, and report regularly to the Ministry of Health on their supply levels.

Status: Will not be implemented.

The Office of the Auditor General of Ontario continues to support the implementation of this recommendation.

Details

When the COVID-19 pandemic began in early 2020, many health-care providers in Ontario were not adequately prepared with PPE. In our 2021 audit, we found that although the Ontario Health Plan for an Influenza Pandemic recommends that health-care providers maintain their own four-week emergency stockpile of PPE, there was no requirement in place for any party to oversee the stockpiling and monitor whether emergency supplies were in fact put in place. The latest update of the Ontario Health Plan for an Influenza Pandemic in 2013 recommended that outpatient and homecare settings plan to keep on hand twice the volume of PPE they would normally use in a four-week period of an influenza season. The recommendation for inpatient settings was to keep on hand volumes eight times as high as normally used in that four-week period, including stockpiles of N95 respirators and surgical masks.

In our follow-up, we found that the Ministry of Health will not be changing the Ontario Health Plan for an Influenza Pandemic stockpiling practice to require that health-care employers maintain a four-week, eight-week or 32-week supply of PPE as appropriate to

their health-care setting requirements, and report regularly to the Ministry of Health on their supply levels.

The Ministry of Health worked closely with the Ministry of Public and Business Service Delivery to finalize the transfer of the health-care stockpile of PPE to Supply Ontario, which was completed as of July 31, 2023. PPE and critical supply equipment in the provincial stockpile will be available through the Supply Ontario PPE Supply Portal to health-care workers and their employers. Health-care providers are expected to be able to leverage the provincial stockpile to meet their stockpile requirements. The provincial stockpile is to be maintained to the levels identified through demand planning, surge planning for emergencies and to meet supply chain risk.

Recommendation 2

To obtain benefit from the procurement and use of personal protective equipment (PPE) from the emergency provincial stockpile before inventory expires, we recommend that the Ministry of Health:

- *develop and implement inventory management and control guidelines that include the requirement to monitor expiration dates and plan for the rotation of PPE with instructions on when to ship out PPE to health-care providers for use before it expires.*

Status: Fully implemented.

Details

In our 2017 audit of Emergency Management in Ontario, we found that more than 80% of the province's 26,000 pallets of stockpiled emergency PPE supplies had expired, and the Ministry had begun destroying the supplies. In 2016, the Ministry began a review of the stockpile program with the aim of modernizing it, but that plan was not completed before the COVID-19 pandemic occurred. The Ministry of Health indicated to us that, had the PPE in the emergency stockpile been properly managed and rotated out for use in the health-care sector before it expired, and then replenished, the Province would have been in a better position when the pandemic hit. Storage of the expired

supplies was costing more than \$3 million a year, and no one was monitoring PPE expiration dates and planning for distribution of the PPE prior to its expiration.

In our follow-up, we found that in January 2022, the Ministry of Health developed and distributed an expiration guidance document that provided instructions to its warehouse on when to ship PPE and other supplies to health-care providers so that they were shipped before they expired. This was being accomplished by using an inventory-control method called First Expiring, First Out (FEFO), such that items that expired first were the first items to be shipped out. This attempts to prevent obsolescence or expiry at the source of picking. As part of the Ministry's October 1, 2022, contractual agreement with its warehouse vendor, Metro Supply Chain Inc., orders with products that are closest to their expiry are shipped out first. The Ministry of Health informed us that it meets weekly with Metro Supply Chain Inc. (Metro) and Supply Chain Ontario (formerly MPBSD) to reinforce the FEFO guidelines. Since the October 1, 2022, contractual agreement with Metro was signed, in June 2023, about \$53 million of PPE had expired. The majority of the expired stock is due to the high volume of new products acquired early in the pandemic when there was a shortage of respirators, masks and sanitizer to meet demand. Once the supply chain stabilized, some products became more appropriate than others and demand for other products declined, resulting in additional inventory of expired and obsolete products.

In addition, the Ministry of Health was executing a number of strategies to reduce waste in its stockpiles, including inventory monitoring of lot codes and expiry dates, and giving out PPE to clients, regional warehouses or non-health sector partners that could accommodate quick consumption rates. In partnership with MPBSD, the Ministry of Health continued to monitor PPE inventory data and flagged expiry dates for distribution. It ran daily and weekly reports that tracked:

- received and outbound PPE inventory and consumption data;

- net inventory reports on product status (e.g., expired, available, donated); and
- product expiry dates based on warehouse vendor data provided.

As part of the Ministry-established Slow-Moving Products Group, representatives from the Ministry of Health, MPBSD (Pandemic Program) and Mohawk Medbuy Corporation continued to work collaboratively on initiatives to distribute excess or slow-moving products and to explore additional distribution channels for moving products prior to their expiry. This included initiatives such as sharing upcoming expiry alerts with their customers to encourage distribution of these products to avoid their expiration. In addition, from December 2021 through April 2022, various branches of the Ministry of Health participated in the Supplemental Stockpile Access Program. This short-term program encouraged hospitals, long-term care homes and home-care sectors to order targeted, soon-to-expire products within the stockpile. The program resulted in the delivery of PPE valued at \$7.3 million to health-care providers before it expired. The Ministry of Health and MPBSD stated that, while they had put in place processes to ensure that PPE was distributed to health-care providers before it expired, they accepted that holding inventory so as to be able to respond to events that created sudden surges in demand, like pandemics, would likely result in some PPE expiring and being written off, should the surge in demand not materialize.

- *update the Ontario Health Plan for an Influenza Pandemic with the inventory management and control guidelines.*

Status: In the process of being implemented by September 2024.

Details

In our 2021 audit, we found that the provincial PPE emergency stockpile for the health-care sector was and is intended to serve as a last resort emergency option for health-care providers to request supplies from once they had exhausted their own stockpile and could

not secure PPE from their suppliers. However, as per the Ministry of Health's direction, health-care providers had to try to procure PPE through their regular suppliers throughout the pandemic. The Ministry's Emergency Operations Centre within the Ministry of Health is responsible for maintaining the emergency stockpile, as well as for co-ordinating the response to threats and hazards to the health of Ontarians and the health-care system. The amount of PPE that was needed to be procured for the Province during the COVID-19 pandemic highlighted the need for a well-stocked, usable emergency stockpile. From the start of the pandemic through December 2020, more than 1 billion units of PPE were ordered and received by the Ministry of Health and the Ministry of Government and Consumer Services, and provided to Ontario by the government of Canada.

In our follow-up, we found that the Ministry of Health has held debriefs and interviews to gather COVID-19 lessons learned to inform future pandemic planning. For example, during our follow-up, we found that the Ministry of Health had conducted a debrief with the co-chairs of the Respiratory Season Touchpoint and the associated Pediatric Surge Table. These two tables were key COVID-19 response structures for the Ministry of Health, Ontario Health and Public Health Ontario leadership. This debrief resulted in the development of the Seasonal Respiratory Pathogens Readiness and Response Planning Guide (Planning Guide), which was publicly released in July 2023 to help the provincial health-care system prepare for and respond to seasonal respiratory pathogens. In addition, the Ministry told us that an early lesson from the debriefs was that it was preferable that future pandemics be managed using a flexible seasonal plan that will be kept current and relevant, and that will undergo an annual planning cycle. The Ontario Health Plan for an Influenza Pandemic will therefore be replaced by a flexible seasonal plan that will include inventory management and control guidelines in September 2024.

The Planning Guide can be escalated to respond to public health emergencies or pandemics and is intended for regular use by health system agencies, organizations, employers and health-care service providers.

Recommendation 3

To complete the modernization of Ontario's supply chain process for the procurement of personal protective equipment (PPE), collect the data needed to make informed procurement decisions and obtain value for money in PPE procurement, we recommend that the Ministry of Government and Consumer Services (MGCS) work with Supply Ontario to put in place the systems that will enable Supply Ontario to collect the information it needs about Ontario's PPE supply and regularly report this information to MGCS.

Status: In the process of being implemented by April 2024.

Details

In our 2021 audit, we found that when COVID-19 spread into Ontario in January 2020 and escalated into a pandemic in March 2020, Ontario's initiative to centralize procurement was still in development and not yet ready to respond to the crisis in PPE supply. In February 2021, Ontario's Long-Term Care COVID-19 Commission was set up to examine the pandemic's effects on long-term-care homes in the province. It heard testimony from the Minister of Health that the ongoing centralization process had delayed restocking the Province's depleted PPE stocks by the time COVID-19 struck and the need for PPE had become acute.

Our 2017 audit of Emergency Management in Ontario noted that the Provincial Emergency Management Office created a supply chain group in 2008. It was to involve members from all levels of government and the private sector, working together to plan the provision of strategic resources when and where they would be needed during large-scale emergencies. However, the group never met or initiated any actions. In 2016, the government of Ontario established the Healthcare Sector Supply Chain Strategy Expert Panel to review and recommend improvements to Ontario's health-care supply chain. The panel recommended that Ontario create a robust data-collection system to analyze data from the health-care sector and use this information to make better procurement decisions.

In our follow-up, we found that the transition of staff and business operations from the Supply Chain Ontario (SCO) division in MPBSD to Supply Ontario

took place on July 31, 2023, including the transfer of responsibilities for the management, oversight and operations of the provincial stockpile of PPE and critical supplies and equipment (CSE).

Supply Ontario is a board-governed independent centralized supply chain agency under the *Supply Chain Management Act (Government, Broader Public Sector and Health Sector Entities), 2019*, and is accountable to the Minister of the Treasury Board Secretariat (TBS). Also, effective July 31, 2023, Supply Ontario will continue to utilize the government's Integrated Financial Information System (IFIS). IFIS is the Ontario government's financial system used in every ministry for financial management, transactions and reporting purposes; and SCO allocation will continue to be captured under MPBSD. Using IFIS will help to address the limitations of Supply Ontario's existing financial recordkeeping solution, with Supply Ontario temporarily leveraging IFIS as a tool to record operational spending until Supply Ontario has an adequate Enterprise Resource Planning (ERP) system in place that will manage its day-to-day business activities, such as financial, human resources and procurement. The Office of the Provincial Controllership Division in TBS is working to develop an appropriate approach to the recording of expenses associated with this transition. TBS, MPBSD and the Ministry of Health will report on the progress of the transition of the PPE/CSE program and inventory as part of their 2024–25 Strategic Planning Process and further report on the progress of Supply Ontario toward implementation of Supply Ontario's ERP system. SCO currently manages and provides oversight and tracking of all purchases/procurement, storage/warehousing, disposal and shipment of PPE/CSE. This includes the management of all related contracts, including funding, which currently resides with SCO within MPBSD, such as:

- domestic contracts for N95 respirators, masks and gloves and other contracts for products held in the stockpile;
- associated support contracts, such as consulting and fee for service contracts; and
- warehousing and distribution contracts.

In addition, SCO also holds contracts related to the Enterprise Vendor of Record (VOR) Program (a list of vendors resulting from a procurement process that meets the requirements of the government procurement directive) and the Ontario Tenders Portal (handles the bidding process). Presently, SCO tracks and monitors provincial stockpile inventory from several different third-party logistics providers' systems, and combines these reports using Microsoft Excel. Also, inventory is accounted for by two different ministries, requiring further manual effort to track transfers, receipts from the federal government and other data required for inventory accounting. Effective July 31, 2023, inventory ownership will continue to be recorded on the Ministry of Health and MPBSD books, but Supply Ontario manages the entire program. It is acknowledged that a more sophisticated software will be required that is more efficient and provides real-time reporting and this is being considered by Supply Ontario as part of Supply Ontario's procurement of an ERP system. Transfer of ownership of inventory is expected to occur on April 1, 2024, as part of Supply Ontario's Strategic Planning Process or when Supply Ontario has acquired and implemented its ERP system.

PPE Data Collection and Analysis, Procurement, Storage and Distribution Systems Were Not Ready for a Pandemic

Recommendation 4

In order for the province to make informed procurement decisions on personal protective equipment (PPE) and to be in a position to quickly provide PPE to health-care providers as needed, the Ministry of Health and Ministry of Government and Consumer Services should:

- *continue to collect information on inventory and consumption (or "burn") rates of PPE for both the health-care sector and non-health-care sector during the COVID-19 pandemic and after it has ended;*

Status: Fully implemented.

Details

In our 2021 audit, we found that, because of the Ontario health-care sector's decentralized procurement approach, for the first three months of 2020 the Ministry of Health did not know:

- how much PPE health-care providers had on hand;
- how much PPE they were procuring or receiving; and
- how much PPE was being used each day (burn rates).

On March 27, 2020, the Minister of Health issued an order requiring health-care providers to provide information to the Province on PPE. By issuing an order, the Minister of Health was giving direction under the *Health Protection and Promotion Act* to the specific health-care providers named. Specifically, starting April 1, all health-care providers (for example, public and private hospitals, psychiatric facilities, independent health facilities, long-term-care homes and others) had to report the quantity of PPE they had on hand, their PPE consumption rates and their forecasts of future PPE supply levels. Initially, this information was collected by Ontario Health. On June 5, 2020, the Ministry of Government and Consumer Services (MGCS) took over this responsibility. Hospitals reported this information to Ontario Health using an existing data collection tool called Bed Census. Ontario Health engaged an accounting firm to help consolidate hospital information on its behalf. Primary care providers (such as family physicians and medical clinics) and more than 3,000 other health-care providers (such as long-term-care homes, mental health and addictions facilities, and home care providers) reported their information via individual Excel spreadsheets, which Ministry staff were to then consolidate. In comparison, we noted that British Columbia, Alberta and Saskatchewan each already had a centralized procurement system in place, which helps facilitate such data collection at the provincial level.

In our follow-up, we found that, to help accurately access and address the province's inventory needs and inform future demand, MPBSD has implemented

a virtual inventory tool survey for data collection to capture information about consumption, inventory and deliveries. This survey is used for identifying the current status and anticipated demand for PPE and critical supplies equipment across multiple sectors within the province, such as the health-care and non-health-care sectors. Although there was a previous Minister's Order for the health-care entities that directed health-care entities to complete and submit the survey, it has elapsed. There is no current policy document that directs participants to complete and submit the survey because Supply Ontario uses multiple inputs for demand modelling, including:

- input from ministries and the sectors they support;
- input from the Office of the Chief Medical Officer of Health and the Ministry of Labour, Immigration, Training and Skills Development;
- input directly from customers; and
- input from order history and trends.

MPBSD uses submission statistics included in the dashboard view of the survey to keep track of the health-care and non-health-care sectors that have filled in the survey. For 2023 to date, only 10.42% of the health-care sector regularly reports its PPE inventory levels to MPBSD, while the rate of survey completion is even lower for non-health-care sectors, at 9.17%. Supply Ontario is in the process of changing the rate of reporting to encourage completion, but on a less frequent basis in order to reduce reporting burden.

- *obtain pre-pandemic burn rates for both sectors to help inform Supply Ontario on its post-pandemic procurement needs;*

Status: Fully implemented.

Details

In our 2021 audit, we found that initially, almost all hospitals (94%) reported all the required PPE information. However, only about half (55%) of long-term-care homes provided the required information. We noted that other providers had even lower reporting rates, with retirement homes, for example, at 43%. This left a significant gap in the overall PPE information

the Province had available to inform its PPE procurement decisions. In early April 2020, the Ministry of Health did not know the extent to which PPE use and demand had increased due to COVID-19. These data shortcomings limited its ability to plan and strategize procurement and distribution of PPE at a time when it was receiving urgent requests for supplies and information. Specifically, our review of April 2020 meeting minutes of the Ministry's Control Table noted that the Ministry did not know:

- whether health-care providers were able to purchase and were receiving PPE directly;
- whether certain health-care providers—such as long-term-care homes, family physicians and medical clinics—were more vulnerable than others to disruptions in the supply chain caused by the pandemic; and
- the extent to which PPE demand and usage had increased due to COVID-19.

In our follow-up, we found that MPBSD had determined there were no material pre-pandemic burn rates for PPE for non-health-care sectors. In addition, the Ministry of Health stated that the pre-pandemic burn-rate data was no longer relevant because COVID-19 is expected to continue for the long term and that Ontario's PPE health-care sector stockpile strategy must continue to prepare for COVID-19 surges and increased demand beyond pre-pandemic rates.

Alternatively, MPBSD established the Integrated Demand and Supply Planning (IDSP) tool, which is a detailed forecasting model to project PPE consumption. This model can be adjusted based on the conditions of a particular scenario, such as the number of workers, or the consumption rate. For example, demand and historical shipments are reviewed by sector to monitor trends, and a supply plan (based on contracts or other procurements) is calendarized to forecast incoming supply to the stockpile and to determine when staffing levels will impact demand (such as in schools over the summer) when supply-level adjustments will need to be made to reflect demand. This tool can be used to identify when PPE supplies will drop into unsafe stock levels or will be completely depleted, allowing the supply team time to plan purchases or deliveries from

contracts to meet demand. We found the team met on a regular basis to review the tool and make supply plans, as well as review the forecast for 18 months to determine whether additional procurement approvals/contracts were required.

- *reassess the 2006/07 recommended quantities of PPE that should be kept in the provincial emergency stockpile;*

Status: Fully implemented.

Details

In our 2021 audit, we found that between February 5 and March 18, 2020, when Ontario declared a state of emergency, hundreds of health-care providers and others made 1,674 requests for PPE items from the provincial emergency stockpile, sending 1,162 separate emails to the Ministry of Health. Given the number of email requests sent, it was evident that many health-care providers had not maintained a local supply and were in a situation where they required emergency supplies from a provincial stockpile that had mostly expired.

In our follow-up, we found that MPBSD established the Integrated Demand and Supply Planning (IDSP) tool used to maintain the recommended quantities of PPE to be kept in the stockpile. This amount is generally three months of forward coverage, but was not a static quantity because the stockpile is now continuously reassessed through the ongoing IDSP process. The IDSP tool estimates remaining inventory over time, so that when a product inventory level is forecasted to be lower than three months of forward coverage, the planning team is alerted that action is required. This allows the supply team to plan for competitive procurement, if required, and ensures that safety stock levels are adjusted with demand.

- *develop clear guidelines on how health-care and non-health-care providers can request needed PPE and distribute these guidelines to all health-care and non-health-care providers who may request PPE from the provincial emergency stockpile in the future.*

Status: Fully implemented.

Details

In our 2021 audit, we reviewed a sample of requests from long-term-care homes and noted there were many significant delays at the beginning of the pandemic in supplying PPE to them. We noted that two main factors contributed significantly to the delays in long-term-care homes receiving PPE from the provincial stockpile at the beginning of the pandemic. First, the Ministry of Health did not have sufficient inventory on hand to support the initial requests for PPE. Second, further information and clarifications were needed from entities making the requests.

The initial requests had insufficient information on matters such as quantities and types of PPE being requested because at the time, the Ministry of Health did not have a tool in place to intake detailed requests for PPE such as quantities and types of PPE needed, and when the requestor anticipated running out of PPE they already had on hand.

Prior to the pandemic, regular channels of communication had not been developed between the Ministry of Health and the long-term-care homes and retirement homes to instruct them on how to send the Ministry clear and detailed requests for the PPE they needed.

In our follow-up, we found that on August 4, 2022, MPBSD implemented the PPE Supply Portal for all orders from the emergency stockpile, from where all in-scope organizations (vetted by Supply Ontario) can order PPE from the government's stockpile through an integrated order management system. This new model will streamline the PPE-request process and capitalize on the stabilization of the supply chain to co-ordinate distribution of PPE.

On August 24, 2022, the Ministry of Health released Addendum: Guidelines for Pandemic Stockpile Use, which includes an Ethical Allocation Framework, identifying criteria to help determine priority for available PPE supply in the event of scarcity during a COVID-19 response. The guidance also includes information and guidelines for health-care providers on stockpiling, inventory management practices and accessing needed

PPE from the emergency stockpile. These guidelines were distributed through regular communication channels, such as emails, public posts on the Ministry's website, memos to the sector and notifications on organization websites.

Recommendation 5

To help inform the newly established Supply Ontario agency on best practices for procurement of personal protective equipment (PPE) for both the health-care and non-health-care sectors, and to improve the province's response to any future event such as a pandemic, we recommend that the Ministry of Health and Ministry of Government and Consumer Services:

- *collaborate to develop lessons learned in the creation of new procurement processes and warehouse and distribution centres; and*
- *help transfer this knowledge and incorporate lessons learned and best practices into Supply Ontario's operations.*

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry of Health, recognizing that its emergency stockpile had expired, that Ontario's health sector had significant PPE procurement needs, and that it did not have sufficient PPE procurement experience or the ability to respond quickly in a globally competitive environment, jointly with Ontario Health partnered informally with the University Health Network (UHN) to help facilitate the procurement of PPE for the provincial emergency stockpile. A Memorandum of Understanding was subsequently signed in August 2020 between the Ministry of Health, Ontario Health and UHN. On March 19, 2020, the Ministry of Health and Ontario Health also partnered with the Ministry of Government and Consumer Services (MGCS) and health sector Shared Services Organizations (Plexxus and Mohawk Medbuy) to consolidate planning, sourcing and monitoring of PPE. Also, the warehouse space that the Province had

available prior to COVID-19 needed to be significantly expanded to store the much larger orders of PPE being received and distributed from the increasing emergency provincial stockpile. The Ministry of Health, Ontario Health and MGCS entered into new contracts to set up warehouses and regional distribution centres.

In our follow-up, we found that the government approved the transfer of the functions and staff from MPBSD to Supply Ontario (see **Recommendation 3**). With that decision in place, the collaboration to develop lessons learned and the transfer of knowledge and best practices was complete. Memos were distributed to all ministers and deputy ministers announcing the transfer, including the management, oversight and operations of the provincial stockpile of PPE and CSE managed by the Supply Chain Ontario division as of July 31, 2023. In addition, early lessons learned from COVID-19 include the need to improve on the management of future pandemics by using a flexible seasonal plan that will be kept current and relevant. Going forward, the flexible seasonal plan will undergo an annual planning cycle, as mentioned below.

- *revise the Ontario Health Plan for an Influenza Pandemic to incorporate lessons learned.*

Status: In the process of being implemented by September 2024.

Details

In our 2021 audit, we found that the Ministry of Health, recognizing that its emergency stockpile had expired, that Ontario's health sector had significant PPE procurement needs, and that it did not have sufficient PPE procurement experience or the ability to respond quickly in a globally competitive environment, jointly with Ontario Health partnered informally with the University Health Network (UHN) to help facilitate the procurement of PPE for the provincial emergency stockpile. Beginning in April 2020, the Ministry of Government and Consumer Services (MGCS) took responsibility for procuring some categories of PPE and distributing PPE to these non-health-care facilities. Similar to the Ministry of Health's procurement

process, the procurement process for MGCS involved multiple reviews and authorizations. However, MGCS's procurement process was handled internally by its staff, without the involvement of third parties such as UHN or an external accounting firm. The warehouse space that the Province had available prior to COVID-19 needed to be significantly expanded to store the much larger orders of PPE being received and distributed from the increasing emergency provincial stockpile. The Ministry of Health, Ontario Health and MGCS entered into new contracts to set up warehouses and regional distribution centres. The terms of the contracts incorporate fixed and variable components to accommodate the varying inventory levels throughout the year, and the contracts have a renewal option.

In our follow-up, we found that the Ministry of Health has held debriefs and interviews to gather COVID-19 lessons learned to inform future pandemic planning. For example, we found, at the time of our follow-up, that the Ministry of Health conducted a debrief with the co-chairs of the Respiratory Season Touchpoint and the associated Pediatric Surge Table. These two tables were key COVID-19 response co-ordination structures for the Ministry, Ontario Health and Public Health Ontario leadership. This debrief resulted in the development of the Seasonal Respiratory Pathogens Readiness and Response Planning Guide (Planning Guide), which was publicly released in July 2023 to help the provincial health-care system prepare for and respond to seasonal respiratory pathogens. In addition, the Ministry told us that an early lesson from the debriefs was that it was preferable that future pandemics be managed by using a flexible seasonal plan that will be kept current and relevant, and that will undergo an annual planning cycle. The Ontario Health Plan for an Influenza Pandemic will therefore be replaced by a flexible seasonal plan that will include inventory management and control guidelines in September 2024.

The Planning Guide can be escalated to respond to public health emergencies or pandemics and is intended for regular use by health-system agencies, organizations, employers and health-care providers.

Pandemic Revealed Ontario's Vulnerability to Disruption of PPE Supply

Recommendation 6

For the Ontario Government, health sector and non-health-care sector to have sufficient supply of personal protective equipment (PPE) available during and after the COVID-19 pandemic and to make Ontario less vulnerable to sudden market movements in price and supply, we recommend that the Ministry of Health, the Ministry of Government and Consumer Services and Supply Ontario collaborate and use the information on PPE supply and burn rates they collect in modernizing Ontario's supply chain process (Recommendation 3) and improving procurement decisions (Recommendation 4) to:

- *analyze both qualitatively and quantitatively what the optimal balance is between manufacturing PPE domestically and procuring PPE internationally, and use this information in future decision-making; and*
- *put in place long-term formal agreements with domestic companies that can be triggered when emergencies arise, where these companies can scale up the production of PPE to meet peak demands brought on by health events such as pandemics.*

Status: Fully implemented.

Details

In our 2021 audit, we found that COVID-19 spread very rapidly worldwide from China; within only a few weeks, countries around the world began to try to procure large quantities of PPE. On February 7, 2020, the World Health Organization reported that the global demand for PPE had increased a hundredfold. Prices rose 20 times higher than normal and orders for PPE were backlogged for four to six months.

In Ontario, many health-care providers anticipated shortages, as suppliers placed limits on the amounts they could order, and the Province at first was not able to provide clarity on procurement and distribution

from its emergency PPE stockpile. Reacting to Ontario's vulnerability to disruption of its PPE supply, some of the province's health-care providers made procurement decisions that required additional effort and costs. As global demand surged, the availability of PPE worldwide was significantly reduced. The worldwide shortage of PPE caused suppliers in January 2020 to place strict limits on the quantity of PPE that Ontario's health-care providers could order. During our audit, we confirmed with three of the province's main distributors (two of which were also suppliers) of PPE—Cardinal Health, Medline/Medical Mart and Stevens, all of whom received their products from manufacturers such as 3M—that they allocated PPE on the basis of historical purchasing percentages. Pre-pandemic, Ontario produced little to none of its own PPE. We noted in our 2007 Outbreak Preparedness and Management report that “medical supplies such as masks, gloves, gowns, and hand sanitizers were mostly made outside Canada, in places where the influenza pandemic may originate and where border closure is a possibility during a global epidemic.”

In August 2020, as a result of the worldwide supply shortages and to reduce the risk of supply chain interruptions that had been prevalent since the start of the pandemic, the Ontario government and the federal government entered into separate agreements with 3M Canada to expand its Brockville, Ontario, manufacturing facility to produce made-in-Ontario N95 respirators. Further, the Treasury Board/Management Board of Cabinet approved an accelerated competitive procurement of surgical/procedure masks for a period of five years, valued up to \$190 million, and to be awarded via multiple contracts. We found there were two subsequent contracts awarded during the period of our 2021 audit with a fourth and final contract undergoing final due diligence. On April 1, 2020, the Province launched the \$50-million Ontario Together Fund, and in March 2021, extended it with an additional \$50 million, to support Ontario businesses in retooling their operations and increasing their capacity to manufacture PPE. The Fund's purpose was both to help with the ongoing response to the COVID-19

pandemic and to prepare Ontario for future public health emergencies. Recipients of the grant committed to making PPE in Ontario and agreed that they would not export the PPE abroad without the approval of the Province. However, in many cases, the Province does not have any contractual procurement commitments with these businesses.

In our follow-up, we found that MPBSD has implemented a category management approach which prioritized domestically produced PPE where possible and where security of the supply chain was a key consideration. Category management considered and analyzed the data to determine the optimal procurement strategy by using marketplace research to determine what products were available domestically or internationally, along with the supply-chain risks and other factors considered in procurement strategies for decision-makers.

In addition, the government introduced the Building Ontario Businesses Initiative (BOBI), which requires action (expanding on the typical technical requirements to incorporate the evaluation of criteria such as social and economic considerations in procurement) to level the playing field for Ontario businesses. This initiative was piloted in the PPE/CSE program and resulted in changes in the factors used in decision-making for procurement approvals by the Treasury Board/Management Board of Cabinet. As a result, the OPS Procurement Directive, which ensures that goods and services are acquired through a process that is fair, open, transparent, geographically neutral and accessible to qualified vendors, was updated, effective September 1, 2023, to include the BOBI that applies to all ministries, all provincial agencies and other organizations. In addition, MPBSD has put in place long-term agreements for critical PPE, including domestic arrangements for surgical masks, N95 respirators, nitrile gloves, hand sanitizers and disinfectant cleaners. These agreements have the ability to scale up the production of PPE to meet demands brought on by an extraordinary event. As well, all contracts are transferable to Supply Ontario when required.

SARS Recommendation on Transparent Communication about PPE Allocation Not Followed

Recommendation 7

To provide the public with transparent information on the supply and distribution of personal protective equipment (PPE), we recommend that the Ministry of Health and the Ministry of Government and Consumer Services:

- *publicly communicate the Ethical Allocation Framework for PPE and post it on their websites;*

Status: Fully implemented.

Details

In our 2021 audit, we found that, on April 5, 2020, the government established a sub-table under the then Health Command Table called the “Control Table.” Its first meeting took place on April 7, 2020. Its task was to decide how health-care providers should access PPE in response to COVID-19 and how PPE should be distributed. On May 14, 2020, the public release of the Ethical Allocation Framework (Framework) was included in a decision note of the Control Table as one of the “next steps,” and was not publicly posted on a website or broadly distributed. As of May 31, 2021, the Framework had not been publicly highlighted and disclosed.

During our audit, we were informed by the Ministry of Health that it intended to present the Framework to stakeholders via personal presentations instead of posting it publicly. We noted that the Ministry of Health and the Ministry of Government and Consumer Services had presented the Framework on June 2, 2020, to Community Health Ontario (which represents the majority of the non-profit home care, community support, mental health, addictions and community-governed primary health care organizations in Ontario), explaining the process that would be followed for allocation of PPE and the allocation criteria that would be used. Although other stakeholders requested similar presentations to gain an understanding of the Framework, these stakeholders informed us that they did not

receive any information or presentations regarding the Framework. Unlike Ontario, British Columbia publicly posted its COVID-19 Emergency Prioritization for PPE in its Pandemic Personal Protective Equipment (PPE) Allocation Framework in March 2020.

In our follow-up, we found that on August 24, 2022, the Ministry of Health publicly released the Addendum: Guidelines for Pandemic Stockpile Use, that includes the Ethical Allocation Framework. These guidelines were distributed through regular communication channels, such as emails, public posts on the ministry's website, memos to the sector and notifications on organization websites.

- *incorporate the Ethical Allocation Framework for PPE into the updated Ontario Health Plan for an Influenza Pandemic.*

Status: In the process of being implemented by September 2024.

Details

In our 2021 audit, we found that, as mentioned above, the Ethical Allocation Framework had not been publicly posted on a website or broadly distributed.

In our follow-up, we found that the Ministry of Health has held debriefs and interviews to gather COVID-19 lessons learned to inform future pandemic planning (see **Recommendations 2 and 5**). For example, at the time of our follow-up, the Ministry had conducted a debrief with the co-chairs of the Respiratory Season Touchpoint and associated Pediatric Surge Table. This debrief resulted in the development of the Seasonal Respiratory Pathogens Readiness and Response Planning Guide (Planning Guide), which was publicly released in July 2023 to help the provincial health system prepare for and respond to seasonal respiratory pathogens. The Planning Guide can be escalated to respond to public health emergencies or pandemics and is intended for regular use by health-system agencies, organizations, employers and health-care service providers. The Ontario Health Plan for an Influenza Pandemic will therefore be replaced with a flexible seasonal plan that will include the Ethical Allocation Framework for PPE in September 2024.

Health-Care Workers Were Not Always Properly Protected with PPE

Recommendation 8

*To reduce the risk of exposure of health-care providers and their patients to infection and illness by safer and more effective use and handling of personal protective equipment (PPE) by staff, we recommend that the Ministry of Labour, Training and Skills Development complete the activities outlined in the Occupational Disease Action Plan (as listed in **Appendix 7** of our 2019 audit report on Health and Safety in the Workplace), assess the plan's effectiveness periodically, and make adjustments if necessary.*

Status: Fully implemented.

Details

In our 2021 audit, we obtained all 3,729 field visit reports that the Ministry of Labour, Training and Skills Development (MLTSD) issued to health-care providers in 2020 and the 1,384 issued in 2019. Our review of these found a tenfold increase in orders issued for PPE violations compared to the prior year: out of the 599 orders issued for violations, MLTSD issued 229 orders for PPE violations to 148 health-care providers (including to 64 long-term-care homes and 20 hospitals) in 2020, compared to only 22 orders for PPE violations (out of a total of 713 orders) to 17 health-care providers in 2019 (with one hospital, one long-term-care home and one retirement home receiving an order in both years). About half of the 229 orders resulted from inspections due to complaints or notifications of COVID-19 illness, while the other half were issued as a result of risk-based inspections.

Frequent PPE violations resulted from lack of sufficient training of employees by employers on the proper use and storage of PPE during work breaks; employees' lack of access to appropriate PPE (including N95 respirators) when required; and employers failing to ensure that employees were trained on how to properly wear and use PPE. In January 2017 the Ministry of Labour, Training and Skills Development developed the Occupational Disease Action Plan (ODAP), whose goal is to prevent hazardous exposures in the

workplace and to reduce illnesses and fatalities associated with occupational diseases. The 28 activities to be undertaken under the ODAP include developing and implementing training initiatives and standards, identifying and managing health hazards, and developing and implementing enforcement strategies. Our Office's 2019 report on Health and Safety in the Workplace noted details of this plan and found that the Ministry had implemented only one-half of the 28 activities to be undertaken under the ODAP by November 2019.

In our follow-up, we found that the Ministry of Labour, Immigration, Training and Skills Development has decided to stop tracking the implementation of the activities outlined in the ODAP. The Ministry stated that the ODAP was closed, with 61% of its activities implemented. Although the ODAP was no longer

active, Ministry inspectors continued to check that PPE was available and properly worn and used by workers. Ministry inspectors also checked for appropriate instruction and training on the use of PPE by employers. These were considered important features of worker safety, and inspectors checked for these when responding to workplace complaints (reactive field visits) and during regular inspections (proactive field visits). For example, the Ministry conducted a search of orders for violations issued in the health-care sector between March 11, 2020, and July 31, 2023, that were associated with field visits (proactive and reactive) and that were coded as being related to COVID-19. The Ministry found that, of the entire data set of orders provided by August 2023, about 95% of the orders were in "complied" or "in process" status.