

Canada's research hospital sector is requesting \$663M of support over 3 months starting March 15 to avoid job losses starting May 1 and to sustain this crucial sector

Background: Canada's hospital-based research represents a \$3B annual sector of our economy, employing between 50,000 to 60,000 highly skilled researchers and staff members. This not-for-profit sector accounts for the majority of the biomedical research that is conducted in Canada, including current essential research and clinical trials around COVID-19. Hospital-based research drives improvements in disease prevention, diagnosis, treatment and care for Canadians. Hospital-based researchers and their teams are global leaders making advances across the entire spectrum of health and disease in key areas including cancer, Alzheimer disease, heart disease and infectious diseases. The hospital-based research enterprise in our country has been built up by progressive investments of tens of billions of dollars over the past decades. The future of the entire sector, however, is now at significant risk.

Hospital-based research institutes, while usually formally part of public hospitals, do not receive funding from the provincial ministries of health but rather are funded by a combination of externally derived funds in 3 broad categories. The relative proportions are specific to each research hospital but on average are approximately equal.

- 1) Federal and provincial government research grants (e.g. tri-council, CFI)
- 2) Private Industry (e.g. pharma/biotech clinical trials)
- 3) Charity (local foundations, health charities, NGOs)

In order to help deal with the COVID-19 crisis in our country, it has been necessary to suspend crucial hospital-based research. The majority of biomedical research in the country, including clinical trials, was suspended in mid-March. This resulted in immediate loss of revenue from external private industry research sponsors (category 2). Similarly, virtually all other externally derived research revenue (category 1, 3) can no longer be used to carry out the research that it was intended for. Preservation of existing research grants from government and charities is essential to allow the hospital-based research sector to restart when the suspension is lifted. Furthermore, many of our charity funders have signalled they will reduce awarded funds and cancel future funding opportunities due to their own financial stress caused by COVID-19.

Requested Government Support: Hospital-based research institutes have worked with their organizations to mitigate against the resulting financial stress over the past month, but the situation is now at a tipping point where financial viability is not sustainable, requiring massive job layoffs starting May 1 to avoid financial catastrophe that would result in many being permanently lost to the nation. Canada's research hospital sector is requesting **\$663M** of support over 3 months starting March 15 to avoid these job losses and sustain this crucial sector:

1. Equivalent access to the 75% wage subsidy program as other businesses: **\$354M (\$118M/Month¹)**
 - Ongoing wage support for researchers unable to continue their research programs because of the research suspension
 - Assumes 80% of 40,846 positions are eligible for support due to a suspension of their research (20% of researchers remaining active in COVID research)
 - Costs are estimated as 75% of wages capped at annual rate of \$57,800 as per program
2. Costs associated with the suspension and restart of research (one-time costs): **\$231M²**
 - Costs associated with stopping and having to restart experiments, clinical studies, and unique research core facilities (e.g. animal models)
 - Estimated at 10% of annual direct operating expenses
3. Costs to maintain research infrastructure during suspension: **\$77M (\$25.8M/month³)**
 - Costs include: Core Facilities (e.g. animal facility), REBs (needed to continue for COVID-19 reviews), Hospital facilities (e.g. rent/utilities), Admin costs paid to the hospital, services (e.g. core facilities), commercialization costs, and retail services.

¹ Based on CAHO published data from 2018/2019 of 20,432FTE across Ontario academic hospitals and scaled by a factor of 2 for the entire Canadian research sector for a total of 40,846FTE.

² Based on CAHO published data from 2018/2019. Equivalent to 10% of annual operating costs at Ontario academic hospitals (\$116M) and scaled by a factor of 2 for the entire Canadian research sector.

³ Based on CAHO published data from 2018/2019. Equivalent to infrastructure monthly costs at Ontario academic hospitals (\$12.9M/month) and scaled by a factor of 2 for the entire Canadian research sector.

About The Princess Margaret Cancer Foundation

The Princess Margaret Cancer Foundation (The PMCF) is one of the world's leading cancer charities. Its mission is to enable Future Care Now by raising funds that accelerate cancer research, education and clinical care benefitting patients at Princess Margaret Cancer Centre, across Canada and around the world. thepmcf.ca