



PANDEMIC UPDATE—WHAT YOU NEED TO KNOW

September 2006

Extensive media attention has focused on the possibility of a worldwide influenza pandemic, with a wide range of predictions including a worst case scenario of up to 16 million deaths in the United States. Scientists disagree about the potential severity of an influenza pandemic; however all scientists agree that a pandemic is inevitable so it is really a question of *when* the pandemic strikes, not *if*. From the sixteenth century to present, there has been an average of 3 influenza pandemics per century with intervals of ten (10) to fifty (50) years. The last pandemic was 38 years ago (1968), so if the cycle holds a pandemic can occur at any time.

H5N1 Virus

The World Health Organization (WHO) is focusing attention on a new virus (H5N1) that is spreading through the bird population of Asia and Eastern Europe. As of August 14, 2006, WHO reported since 2003 a total of 238 human cases with 139 deaths (mortality rate of 58%). The most recent activity has been in Indonesia where the virus mutated leading to a transmission from a son to his father, but the virus transmission stopped with the father.

United States Pandemic Influenza Plan

The federal government is taking the threat of an influenza pandemic very seriously and established a Web site dedicated to the topic, www.pandemicflu.gov. The U.S. Homeland Security Council developed the *National Strategy for Pandemic Influenza* announced by President Bush on November 1, 2005, which was followed by the Implementation Plan. The Department of Health and Human Services has the *HHS Pandemic Influenza Plan (HHS Plan)* that offers assumptions state and local governments and businesses should use in planning their response to a pandemic.

The most striking announcement from the federal government was that due to the national nature of a pandemic the federal government will not be able to respond effectively nationwide. Major responses will be the

responsibility of state and local governments and the private and nonprofit sectors—essentially you and your organization are on your own.

Congressional Budget Office Predictions

On December 8, 2005, the Congressional Budget Office (CBO) released its report, *A Potential Influenza Pandemic: Possible Macroeconomic Effects and Policy Issues*, which discusses two scenarios: a severe pandemic and a mild pandemic. Under both models, the CBO estimates that 30% of the U.S. population (90 million people) will get sick and 45 million people will receive outpatient medical care. The variations exist among the number of people requiring hospitalization (865,000 v. 9.9 million), ICU care (128,750 v. 1.485 million) and mechanical ventilation (64,875 v. 745,500). Under a severe pandemic scenario more than 1.9 million people will die or about 1 death per 40 infected people compared to 209,000 deaths with a mild episode.

On the economic side, in a severe pandemic, the United States' Gross Domestic Product (GDP) will decrease approximately 5%, equal to an average recession. In a mild pandemic, the Gross Domestic Product will decrease 1.5%, which falls within the normal range of economic variation.

Global Social and Economic Impact

The 2003 Severe Acute Respiratory Syndrome (SARS) epidemic is a preview of the economic impact of a pandemic. SARS small number of cases, as it was not caused by an influenza virus and not easily transmitted, made it an epidemic. Despite the difficulty of transmitting SARS, the illness spread between five (5) countries in three (3) days and 24 countries in three (3) months. SARS also had a dramatic effect on travel, tourism events and activities involving large groups of people and health care facilities in the communities where it occurred. The lessons learned from the SARS epidemic can also assist with business continuity planning for a pandemic.

Just-in-Time Global Economy

The impact on today's just-in-time global economy may be devastating as all parts of the world literally shut down. Worker absenteeism will be high (30-40%) for an extended period of time (3-4 months). The lack of workers will bring to a halt to transporting goods, supplies—including raw materials—and services, and producing finished goods. The pandemic will place strain on the telecommunications system, may cause panic buying, and people will be afraid to leave their homes. The “worried well” may demand as many services and resources as the ill.

Health Care System

The number of ill people will place a strain on the health care system (including sick health care professionals). The United States health care system is already under tremendous pressure and not meeting current medical needs of the population. One estimate is that the virus will spread globally in three (3) months, 3 weeks within the United States. Since the pandemic involves a new strain of influenza, a vaccine can not be available until six (6) months after the virus is identified and a pandemic declared. In addition, antiviral medication will be in short supply.

Similarly emergency response personnel, such as fire, police, and emergency medical technicians, will be depleted as will the providers of other municipal services (garbage collection, public health, water, power, etc.). One grim remembrance from Hurricane Katrina was the inability of New Orleans to collect and process dead bodies.

Technology Woes

Social distancing is one technique to prevent or limit the spread of the virus. Travel, tourism and the entertainment industries will be severely affected. Another concern is that many businesses assume their employees will work remotely from home; however network capacity assumptions will be severely tested as Internet traffic increases. One simulation predicted the Internet would collapse within 4 days from the increased usage.

What Can You Do?

Ideally every organization already has a business continuity plan to ensure that its essential business functions can survive a disruption. If you have a plan it needs to be modified to address an interruption of operations due to a pandemic. If you do not have a plan, establish one now. The challenge of an interruption caused by a pandemic is to be able to sustain core business activities over several weeks or months with only a minimal workforce. Due to the potential severity of a pandemic, your organization should seriously consider at what point you shut down operations, how long you can survive in that state, and how to re-start your operations. This may seem to be an extreme scenario but is plausible and you should have your contingency plans in place.

The [Pandemicflu.gov web site](#) has excellent tools to help organizations plan for the pandemic. The site addresses Federal Planning, State & Local Planning, Individual Planning, Business Planning, School Planning, Health Care Planning and Community Planning. The Individual Planning section includes a Family Guide, Checklist and Information Sheets. The Business Planning section has business planning checklist and a link to a pandemic planning site from the US Chamber of Commerce.

Another suggestion is to keep your employees informed about the pandemic potential and how your organization is prepared to respond. The individual planning information is helpful for your employees, since their first concern will be the well-being and safety of their families, not keeping the organization's doors open.

Resources

There are many business continuity planning Web sites to help you with your plan. Here are just a few:

[Continuity Central](#)

[Disaster Recovery Journal](#)

[DRI International](#)

[Ready Business](#)

[Disaster Recovery Guide](#)

[American Red Cross](#)

[Institute for Business & Home Safety](#)

[Contingency Planning](#)

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