

Business Plan 2014 - 2015



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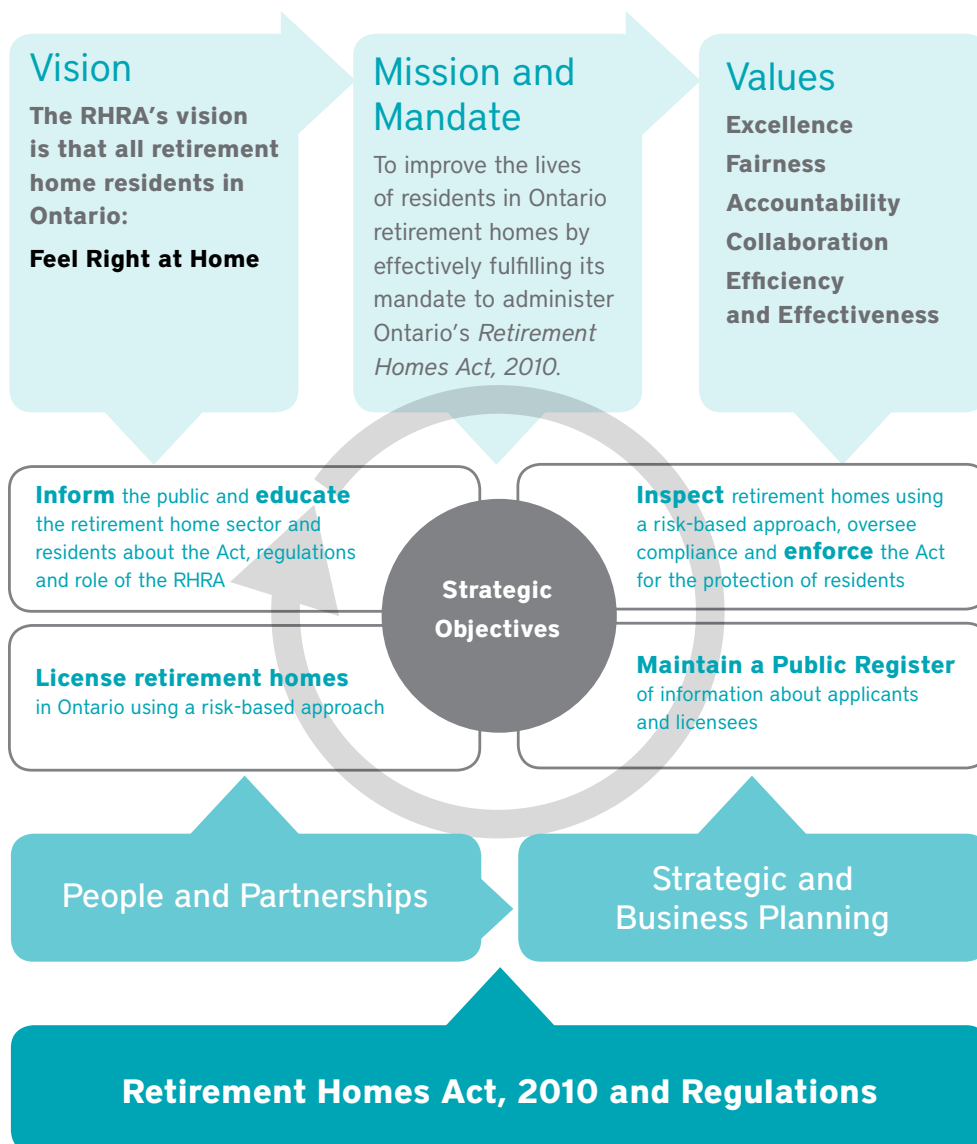
RHRA

RHRA Corporate Overview

Profile

The Retirement Homes Regulatory Authority (RHRA) is a self-funded, not-for-profit corporation responsible for administering the *Retirement Homes Act, 2010* (Act) and its regulations. The RHRA Board's first meeting was in January 2011 and the RHRA commenced licensing and regulating retirement homes in 2012.

The RHRA's mandate is to administer the Act to ensure the safety and consumer protection of retirement home residents. The fundamental principle of the Act states that "a retirement home is to be operated so that it is a place where residents live with dignity, respect, privacy, and autonomy, in security, safety and comfort and can make informed choices about their care options." The RHRA seeks to attain this through its strategic objectives of education, licensing, enforcement, and the maintenance of a public register. The Vision, Mission, Mandate and Values and their connection to the strategic objectives are illustrated below.



Objectives

Strategic Priorities and Business Planning

Priorities

Overview

In 2013/14 the Board undertook a review of its strategic plan for the RHRA with the goal of updating the plan to cover the period through to fiscal year 2016/17. The RHRA engaged with stakeholders to provide input on this plan based on early RHRA activities. The strategic plan recognizes that the RHRA is still early in its regulatory mandate and, consequently, many of its priorities and initiatives over the next three years will be focused on building the capacity and capability to deliver on its mandate over time. As more data and experience is gathered, the RHRA will be in a better position to prioritize its regulatory actions and measure its positive impact. With this in mind, the RHRA has identified the following strategic priorities and initiatives over the next three years.

Priority 1: Regulatory Effectiveness

Improve resident safety and choice through regulation

Initiatives

Build Capacity: Establish consistent standard of resident safety and consumer protection throughout the retirement home sector.

In 2013/14 the RHRA initiated the development of and began to implement a central information system in part so that it can begin to track and analyze data on patterns of non-compliance that introduce risk to residents.

Licensing: Refine and improve our licensing activities.

Having issued over 700 licences to operate as a retirement home and established a public register, the RHRA must now monitor ongoing compliance and maintain updated information on the register.

Emergency Fund: Fully implement the RHRA's emergency fund.

The emergency fund was established in 2012, and the RHRA adopted a funding policy in 2013/14. The focus for 2014-2015 will shift to implementation including reporting and awareness and integration with other regulatory functions.

Complaints Handling: Strengthen our complaints handling protocols.

Specific requirements in the Act for complaints handling came into force in January 2014, and the RHRA will continue with that implementation to ensure the value of this process.

Priority 2: Corporate Alignment

Develop the RHRA into a financially sustainable regulator that is seen as transparent, accountable, and providing good value

Initiatives

Statutory Oversight: Continue to establish processes to support statutory oversight.

In 2013/14 two independent statutory roles were filled, the Complaints Review Officer and the Risk Officer. Reporting to the Board, these roles play an important function in organizational oversight, demonstrating RHRA transparency and accountability.

Regulatory Impact: Board reporting on regulatory impact.

Still early in its mandate, the RHRA is keen to identify and report on how to best measure its positive impact on the retirement homes sector.

Financial: Build an organization that is financially stable providing predictability to licensees, and demonstrates good value.

The RHRA has successfully transitioned from government funding to being self-sustaining over the past two years, establishing a prudent approach to its spending and approach to fees to the sector, and seeks to maintain this balance between spending and fees over the course of the current strategic plan.

Human Capital: Continue to develop our human resources building toward a highly effective organization characterized by an engaged, capable and dedicated staff.

Many early challenges in defining HR requirements have been met successfully as the RHRA navigated the start-up of the organization. Ongoing development will be a focus area for the RHRA as a talented staff is key to the organization's long-term success.

Priority 3: Stakeholder Collaboration and Outreach

Effective stakeholder engagement to support RHRA awareness and effective partner collaboration

Initiatives

Awareness: Build awareness and enhance understanding of the RHRA.

Early communications and education have been focused on licensees as a specific stakeholder group, and the RHRA will look to broaden this focus to other stakeholders such as residents concurrent with its maturity level and consistent with its mandate.

Partnerships: Work with partners to support increased resident safety and choice.

The RHRA has actively participated in many forums to date, and looks to strategically expand its partnerships to support its specific goals and initiatives.

Fiscal Year 2014-15 Activities and Targets

To support these strategic priorities and initiatives, the RHRA has identified corresponding activities and targets. While the priorities and initiatives are mostly multi-year persisting throughout the timeframe of the strategic plan, activities and targets are typically set for the coming fiscal year. For 2014/15, many of the activities and targets set reflect the nature that this year will be one where baseline metrics are being developed and, as such, largely focus on executing to specific plans. As the specific regulatory problems and goals are more concretely identified, targets will have an increasing focus on impact and outcome. For 2014/15, the RHRA has set the following activities and targets for the organization.

Regulatory Effectiveness

Improve resident safety and choice through regulation

Initiatives	Activities	Targets
Establish consistent standard of resident safety and consumer protection throughout the retirement home sector	<p>Confirm the critical requirements of the Act relating to resident safety (protecting residents from harm or risk of harm) and resident choice, and focus educational and outreach activities on these requirements.</p> <p>Through inspection, identify and monitor the benchmark rate of compliance with these critical requirements, both in individual retirement homes and across the retirement home sector.</p>	<p>Conduct 20 or more outreach, educational events or activities in the retirement home sector, focusing on the critical requirements of the Act relating to resident safety and choice.</p> <p>Conduct routine or follow-up inspections in at least 350 retirement homes, targeting the critical requirements of the Act relating to resident safety and choice.</p> <p>Through education, inspection, compliance, and enforcement activities in 2014/15 and 2015/16, reduce the rate of non-compliance on critical requirements of the Act relating to resident safety and choice.</p>
Build the organizational capability to identify and control risks relating to resident safety and choice	<p>Complete the implementation of internal reporting (regular and on-demand) of RHRA activities in regulatory operations including education and outreach, collaborative partnerships, inspections, remediation and enforcement.</p> <p>Build data and information systems and develop the analytical capacity to support the identification and measurement of risks relating to non-compliance with the Act, particularly non-compliance with requirements that directly impact resident safety and choice.</p> <p>Implement operational structures and protocols to support the identification and control of specific compliance problems (and patterns of non-compliance) that may involve harm or risk of harm to retirement home residents.</p>	<p>Identify areas of priority for compliance management/harm reduction and include them in the RHRA's 2015/16 Business Plan and report on them in future business plans.</p>
Refine and improve our licensing activities	<p>Enable improved interaction with the RHRA for licensees by deployment of online administration and processing capability</p>	<p>Make available to licensees the opportunity for online self-administration of licence information and submission of documentation.</p>
Fully implement the RHRA's emergency fund.	<p>Entrench and refine practices supporting claims to the fund including the application process for claimants, and the systematic review of files by the Registrar for payments.</p> <p>Define and commence activity reporting related to claims and payments related to the emergency fund.</p> <p>Define and execute appropriate communications to inform potential claimants and/or public about the fund.</p>	<p>Issue the first annual report of emergency fund activity as a component of our annual report.</p> <p>Execute on a communication/education plan related to the emergency fund.</p>

Strengthen our complaints handling protocols.

Using information gained from initial implementation; modify internal complaint handling processes as appropriate.

Assess and review external communication requirements to residents, licensees, and the public, and develop a plan to address any opportunities for improvement.

Refine processes to ensure that information gained on potential non-compliance through the complaints process is integrated with other compliance activity.

Develop reporting and analysis protocols for activity related to complaints.

Issue the first annual report of complaints handling activity as a component of our annual report.

Execute on a communication plan, making potential complainants aware of the RHRA's complaints handling scope and processes.

Corporate Alignment

Develop the RHRA into a financially sustainable regulator that is seen as transparent, accountable and providing good value

Initiatives	Activities	Targets
Continue to establish processes to support statutory oversight.	<p>Entrench Complaints Review Officer role by establishing protocols and reporting parameters with the Board.</p> <p>Further establish the Risk Officer role by working with the incumbent on reporting and related processes.</p> <p>Continue to enhance our relationship with government through Ontario Seniors' Secretariat (OSS) and the Minister by identifying and addressing opportunities for improving processes commensurate with the RHRA's maturity as an organization and regulator.</p>	<p>Listings for refused applications and revoked licences were added to the Public Register.</p> <p>Practices for maintaining the Public Register were established (e.g. refreshing data twice daily).</p>
Board reporting on regulatory impact.	<p>Develop plan to move toward regular reporting to Board on regulatory impact.</p> <p>Continue development and implementation of enterprise risk management practices into the management of the organization, and in the Board's ongoing oversight practices including regular reporting.</p>	<p>Develop regulatory impact framework including regular reporting to Board.</p>
Build an organization that is financially stable providing predictability to licensees, and demonstrates good value.	<p>Define a financial plan establishing specific financials goals and reporting measures as part of the plan.</p> <p>As part of the financial plan, conduct the annual review of the RHRA's fee schedule as required by the RHRA Fee Setting Policy.</p> <p>Establish a multi-year corporate plan as a component of the financial plan to support forecasting.</p>	<p>Deliver and communicate a 3-year financial plan.</p> <p>Implement regular internal reporting on specific financial/budgetary.</p>
Continue to develop our human resources, building toward a highly effective organization characterized by an engaged, capable, and dedicated staff.	<p>Continue to enhance predictability for the RHRA by stabilizing human capital needs using data and experience on the work requirements for administering the Act.</p> <p>Continue building organizational capacity by maintaining and enhancing a focus on staff training and development for short and mid-term needs.</p> <p>Review and enhance organizational development practices in the areas of recruitment, engagement, internal communications, and employment practices.</p>	<p>Establish standard internal reporting on performance against set targets using improved data capabilities to identify opportunities for workflow efficiency.</p> <p>Define and execute on a comprehensive training and development plan.</p> <p>Establish a baseline of information on staff engagement and satisfaction by defining and conducting an employee survey.</p>

Stakeholder Collaboration / Outreach

Engage stakeholder effectively to support RHRA awareness and effective partner collaboration

Initiatives	Activities	Targets
<p>Build awareness and enhance understanding of the RHRA.</p>	<p>Develop communication strategy that includes increased use of a variety of communication channels such as:</p> <ul style="list-style-type: none"> • media, webinars, newsletter, web, speaking engagements, other forums/events <p>Continued development of education/tools/resources that are focused on critical requirements related to resident safety and choice and are targeted to specific stakeholder groups including:</p> <ul style="list-style-type: none"> • government; residents/family; industry/licensees; other stakeholders, advocacy groups, seniors' organizations 	<p>Successful implementation of RHRA 2014-15 Communications Strategy.</p> <p>Delivery of plan that establishes how the RHRA will measure effectiveness/success of stakeholder engagement/collaboration including baseline data.</p>
<p>Work with partners to support increased resident safety and choice.</p>	<p>Identify opportunities to collaborate with stakeholders to build on current partners and target new partnerships to maximize action that supports RHRA priorities.</p>	<p>Targeted stakeholder collaboration that builds on current and new partnerships to maximize action supporting RHRA priorities.</p> <p>Seek participation on government and special committees pertinent to RHRA mandate (regulatory/DAAAs) that focus on increasing resident safety and choice).</p> <p>Develop tools to measure success of mobilizing partners to action.</p>

Governance

The governance of the RHRA is established through the Act, and a Memorandum of Understanding (MOU) with the government through the Ontario Seniors' Secretariat (OSS) to the Minister Responsible for Seniors Affairs. The MOU requires the RHRA to specify how it will meet French language requirements and address complaints related to its administration. The RHRA will continue to make its communications and information available in French in accordance with its French Language policy and address complaints received by the RHRA working with the complainant to resolve complaint and management reviewing resolutions. The Board of Directors is accountable to the Minister through the Chair of the Board.

Fiscal year 2012/13 saw the transition from an interim to a permanent competency-based Board of Directors which is composed of nine members, five of whom are elected and four appointed by the Lieutenant Governor in Council. Board member profiles are available at <http://www.rhra.ca/en/about/board/>.

2014/15 will be the first full year with an appointed Risk Officer. This independent statutory oversight role reports to the Board and will issue the first annual report at the conclusion of the 2014/15 year. The Risk Officer is responsible for independently reviewing, monitoring, and assessing the effectiveness of the RHRA's administration of the Act, including its activities related to ensuring that licensees meet care and safety standards, and that the rights of residents are respected.

2014/15 will also be the first full year with an appointed Complaints Review Officer. Appointed by, and reporting to the Board of Directors, the Complaints Review Officer is responsible for independently reviewing complaints in matters where a complainant is not satisfied by the conclusion of the Registrar to take no further action in relation to a complaint. 2014/15 will see the formalization and entrenchment of the operating process for this statutory oversight role.

Stakeholder Engagement

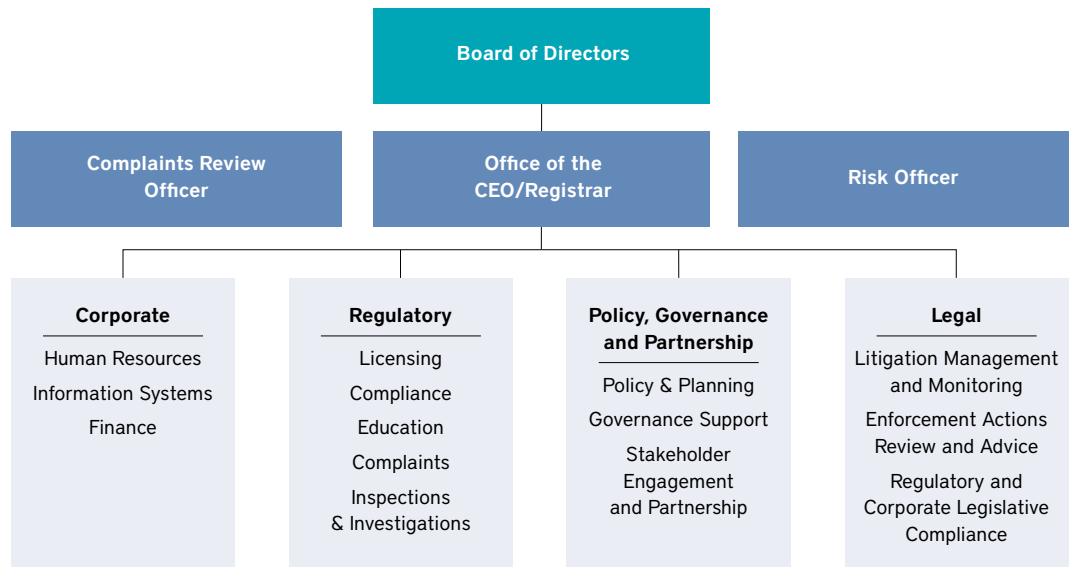
In the governance of RHRA operations, the Board and management have consistently adopted an approach of seeking input from, and consulting with its various stakeholders including its Stakeholder Advisory Council, which includes diverse key stakeholders. The RHRA has adopted a working practice of referring matters that may have a consequential impact upon residents, their families, operators or other stakeholders to the Stakeholder Advisory Council for their review and comment. While the RHRA is not bound by the deliberations or advice of the Council, its scope includes:

- Agreeing to abide by the relevant sections of the MOU, by-laws and policies of the Board including the Code of Ethics and the Access and Privacy Code.
- Providing advice on issues pertinent to the business of the Board. Advice of an 'ongoing' or 'ad hoc' nature on specific issues.
- Identifying issues that they recommend to the statutory officers and Board for specific attention.

Resource Requirements

Human Capital

2014/15 represents the first full year of operations with most major parts of the Act fully proclaimed. The RHRA's resource requirements will continue to evolve throughout the year, and we will be continually assessing requirements using new experience and data to establish the number and distribution of staff required to effectively meet the activities and targets set out in this Plan. The current structure is as generally laid out in the diagram below.



Financial

2014/15 is the final year in the RHRA's existing 3-year financial plan. This plan was developed to transition from receiving government start-up funding to being fiscally self-sustaining. A key area of focus for the RHRA in 2014/15 will be the renewal of its next 3-year financial plan based on additional experience and a better understanding of expected future work volumes with the increased stability of normalized operations.

The RHRA entered the 2013/14 year in a strong financial position, and current projections suggest that the RHRA will finish the year with better than expected results. The RHRA established a restricted operating reserve in 2012/13 which may be augmented by the end of the 2013/14 year in accordance with its policy on the operating reserve. This reserve creates capacity for the RHRA to keep stability in annual licence fees and absorb unanticipated costs for the 2014/15 year while additional experience and information is gathered about on-going resource requirements.

Revenue

The 2014 fee schedule was distributed in September 2013. Annual licence fees are the primary source of revenue for the RHRA, and are billed in advance for the calendar year. The 2014 fee schedule included an increase in the annual licence fee of 1.4% over the 2013 rate, and will impact Q1 through Q3 of the 2014/15 fiscal year. Other changes included in the 2014 fee schedule were made to better align fees with the costs of licensing and other activities which are expected to have a positive effect on revenue overall.

Growth in the number of licensees and suites will also likely contribute to additional revenue in annual licence fees. It is forecasted that in 2013/14 the sector will have added approximately 1,600 suites by the end of the year, representing an increase of about 3%. A similar growth pattern has been included into the revenue projections for 2014/15.

Expenses

Compensation costs are the primary expense for the RHRA, and are expected to increase in the 2014/15 year to accommodate the staffing resources required to fully execute on the identified priority activities within the year. In part, this increase will be resulting from a full-year of employment for staff added throughout the previous year, as well as for new staffing changes in the 14/15 year. Staffing requirements are expected to stabilize by the end of the fiscal year as predictability of work volumes improves with more experience informing those decisions.

Leading into the 2014/15 year, a funding approach will be adopted for the Emergency Fund, a restricted fund set out in the Act. Contributions to this fund may continue in 2014/15 and beyond as additional experience and information is gathered to more accurately predict the risk exposure of the fund as well as how that aligns with RHRA's financial capacity.

In 2013/14 the RHRA undertook a major implementation of a central case management system to be the central repository of information for its activities. The RHRA deferred \$372,000 of the final tranche of government transfer payments received in 2012/13 to support the start-up of the RHRA organization for this system implementation. While no further transfer payments are being made, the RHRA recognizes the government funding concurrent with the applicable expense and as such will continue to show government funding as the system is amortized in the years ahead.

General expenses are forecasted to stabilize at rates comparable to the 2013/14 year, except those connected directly to staffing levels. Some contingency provision will continue through 2014/15 (particularly for litigation costs) while additional experience is gained to better predict annual spending. On-going investments with select new projects, and renewal of assets including computer hardware and software will continue throughout the 2014/15 year and are factored into the forecast as capital expenditures.

A summary of the forecasted statement of operations is shown below.

Statement of Operations

Comparative Analysis for three years Capital

	Budget	Forecast	Actual
	2015	2014	2013
Revenues			
Annual Licence Fees	5,978,617	5,865,265	4,048,440
Application Fees	424,451	141,630	849,700
Province of Ontario Grant	173,500	83,500	2,741,431
Interest Income	66,000	79,543	57,785
Amortization of Deffered Capital Contributions	144,385	80,510	92,607
Total Revenues	6,786,953	6,250,448	7,789,963
Expenses			
Salaries, Wages and Benefits	4,709,401	3,934,625	3,749,140
Operating	1,635,893	1,076,052	884,383
Amortization of Capital Assets	249,017	83,172	92,607
Amortization of Deferred Liability	144,385	80,510	10,680
Payments to the Emergency Fund		240,000	10,000
	6,783,695	5,414,359	4,746,810
Excess of Revenue over Expenses	48,258	836,089	3,043,153

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