RHRA
Retirement Homes
Regulatory Authority

BUSINESS PLAN 2016-2017

Table of Contents
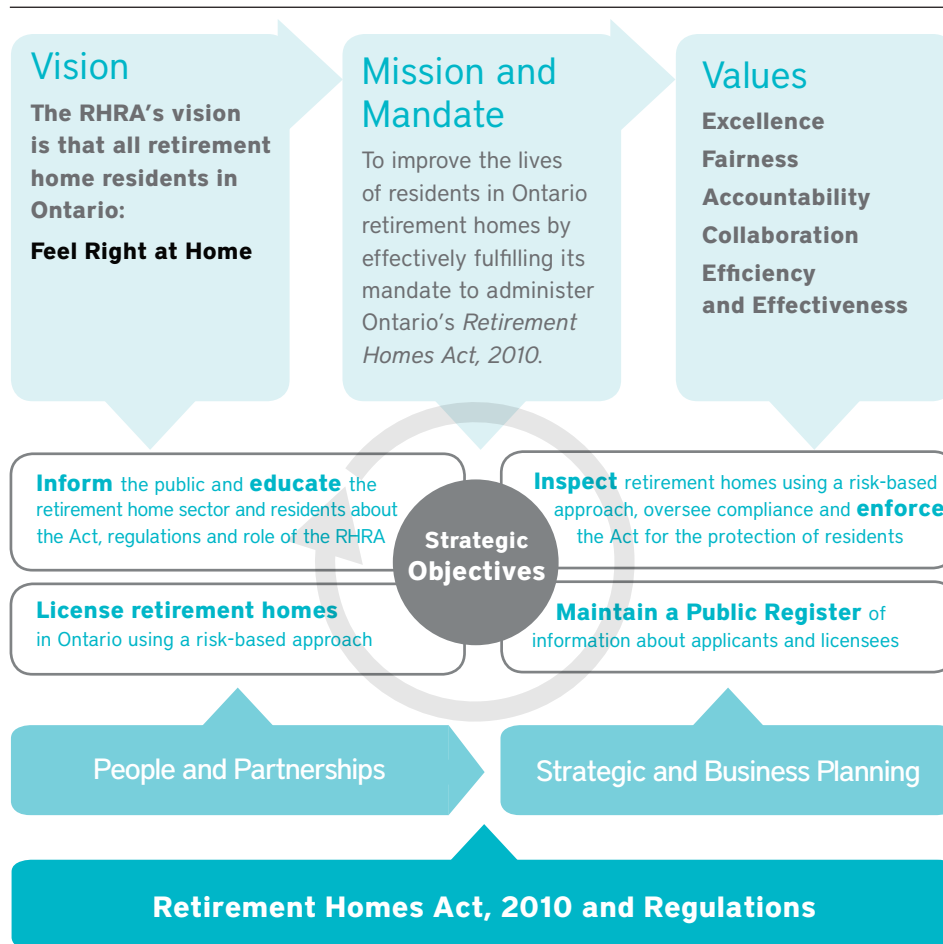
Profile

The Retirement Homes Regulatory Authority (RHRA) is a self-funded, not-for-profit corporation established under the *Retirement Homes Act, 2010* (the Act) and its regulations. The RHRA is responsible for administering the Act and is accountable to government through the Ontario Seniors' Secretariat (OSS). The RHRA was established in 2011 and commenced licensing and regulating retirement homes in 2012.

The RHRA's core responsibility is to enhance the safety and consumer protection of residents in Ontario's retirement homes. The fundamental principle of the Act reflects this responsibility by emphasizing 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 meets its mandate through its strategic objectives of licensing, education, compliance and enforcement, with the maintenance of a public register and establishment of the emergency fund. The Vision, Mission, Mandate and Values, and their connection to the strategic objectives, are illustrated below.

Vision, Mission, Mandate and Values

Vision

The RHRA's vision is that all retirement home residents in Ontario:

Feel Right at Home

Mission and Mandate

To improve the lives of residents in Ontario retirement homes by effectively fulfilling its mandate to administer Ontario's *Retirement Homes Act, 2010.*

Values

Excellence

Fairness

Accountability

Collaboration

Efficiency and Effectiveness

Strategic Objectives

Inform the public and **educate** the retirement home sector and residents about the Act, regulations and role of the RHRA

Inspect retirement homes using a risk-based approach, oversee compliance and **enforce** the Act for the protection of residents

License retirement homes in Ontario using a risk-based approach

Maintain a Public Register of information about applicants and licensees

People and Partnerships

Strategic and Business Planning

Retirement Homes Act, 2010 and Regulations

Overview

The 2015/16 fiscal year (April 1, 2015 to March 31, 2016) was one of much transition for the RHRA. The transition of both the Board Chair and the CEO/Registrar in Q4 of the year is a notable milestone in the relatively brief history of the RHRA as both incumbents had held those posts since the inception of the organization. During the year, the RHRA set the groundwork for both data analytics and operational risk control initiatives – key components to future enhancement of its risk-based model. Also, the RHRA was for the first time able to begin measuring not only compliance, but also changes in rates of compliance and share this with the retirement homes sector. Moving into fiscal year 2016/17, the RHRA will continue to focus on integrating data analysis into the organization helping to guide and inform its risk-based regulatory approach. Directly linked to this, 2016/17 will yield a new three-to-five year strategic plan for the organization that will guide the next phase of evolution for the organization. Until then, the RHRA maintains its priorities from the current strategic plan with a focus on extending the initiatives established in recent history.

PRIORITY 1: **Regulatory Effectiveness**
Improve resident safety and choice through regulation

INITIATIVES

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

The RHRA set some specific targets in 2015/16 which were largely achieved. Centralized compliance monitoring was implemented, and education activities in specific areas of non-compliance were integrated into outreach activities. Trends in compliance rates were aligned with target patterns, most notably with year-over-year reductions in non-compliance findings in the top 10 areas of concern in routine inspections. With experience the RHRA continues to refine its compliance measures, and into 2016/17 steps to define regular reporting metrics will be taken to align with its updated strategic plan. Further, the RHRA will continue with the development of its compliance monitoring program established in 2015/16. Generally, this includes both internal process refinements, as well as continual reassessment of results and practices for alignment with its risk-based approach.

INITIATIVES

Build Capacity:
Build the organizational capability to identify and control risks relating to resident safety and choice.

In 2015/16, the RHRA augmented its data analytics capacity significantly with dedicated resource allocation and the initiation of a systematic approach to embedding data analysis into the organization's processes. This included completing the expected assessments set out in the 2015/16 business plan. Similarly, basic structures for the RHRA's operational risk control strategy were implemented, and two significant projects were initiated as part of this program. Looking ahead into 2016/17, the RHRA will review results of projects already initiated, and sustain focus on operational risk control by selectively initiating additional projects suitable to this methodology. Augmented training for staff in these methods and project management will support entrenching this method into the organization. The RHRA will also look to optimize its capacity for handling higher-risk regulatory cases using its experience to date to inform standard procedures.

Unlicensed Homes:
Refine approach to dealing with unlicensed homes.

In 2015/16 the RHRA made progress in this area by establishing a project under operational risk control. In particular, progress was made during the year by clarifying relevant circumstances and issues arising from unlicensed homes and prioritizing plans to address these as applicable. Some of the shorter-term interventions have already been inculcated into current practices, while further work on risk mitigation for others will continue into 2016/17.

Legislative Review:
Provide advice to the Minster/Government in its review of the Act.

The RHRA submitted its recommendations as part of the initial steps the Minister took during 2015/16 towards the 5-year review of the *Retirement Homes Act, 2010*. The RHRA will continue its support and contributions to the government's ongoing review in 2016/17.

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.

This past year was the first annual report of the Risk Officer, with the RHRA's response in Q3 of the year. Also in 2015/16, there was some increased activity for the Complaints Review Officer, and generally for the RHRA in the number of complaints it is fielding. These activities are expected to continue to increase into 2016/17. The RHRA will continue to refine its processes and practices with both statutory roles.

Regulatory Impact:
Board reporting on regulatory impact.

The RHRA will build upon its efforts in 2015/16 in developing its impact framework. This is a mid- to long-term task for the organization, one that will remain an ongoing priority for the organization and the Board of Directors into 2016/17 and beyond. The RHRA completed its initial implementation of enterprise risk management (ERM) practices and will maintain focus on this program while continually refining its practices in the coming year.

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

A key element in supporting the next phase for the RHRA is in moving to a new facility that will accommodate its needs into the future. With the search and negotiation processes expected to complete Q4 of 2015/16, focus will shift in 2016/17 to execution.

The RHRA will also undertake its fee schedule review for 2017.

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

The RHRA implemented a number of activities using the results of its inaugural staff engagement survey. Results from a follow-up survey will be evaluated and compared for progress and inform additional engagement activities for RHRA staff in the 2016/17 year. Continuing to build staff capacity through internal education and cross-training will remain a priority for the RHRA in 2016/17 as a means to ensure learning from early experience as well as maintain a nimble organization where staff can develop, learn, and support the organization's goals across functional lines.

PRIORITY 3: **Stakeholder Collaboration and Outreach**
Engage stakeholders effectively to support RHRA awareness and partner collaboration

INITIATIVES

Awareness:
Build awareness and enhance understanding of the RHRA.

In 2015/16, the RHRA completed its first stakeholder effectiveness survey, with positive results that reflect previous efforts to communicate regarding the RHRA's role and mandate. Using the results of this survey, the RHRA will continue and expand its awareness initiatives into 2016/17 with targeted activities to specific audiences, for example, message-targeted printed materials for residents and families. Furthermore, the organization will use the feedback from the survey to support measurement of the effectiveness of subsequent activities to guide future investments in communications and awareness.

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

The RHRA successfully maintained partnerships with external organizations during the 2015/16 year, including establishing its participation on relevant initiatives such as the Chief Coroner Office's Geriatric and Long Term Care Committee. Going into 2016/17 the RHRA will continue to seek out relevant partnerships, particularly those that are targeted to align with its updated strategic plan to be developed during the year.

Fiscal Year 2016/17 Activities and Targets

To support these strategic priorities and initiatives, the RHRA has identified related activities and targets. The priorities and initiatives are largely multi-year and many persist throughout the timeframe of the strategic plan, with a good deal of consistency from the previous year. As mentioned above, a key element for the 2016/17 year will be updating the strategic plan for the RHRA which may result in some adjustment of certain targets for the 2016/17 year, and more substantive business plan changes into 2017/18. The RHRA reports on its success against the activities and targets in its annual report. In 2015/16, many of the RHRA's activities and targets reflected efforts to begin the analysis of data gained in early compliance experience, and in establishing operational risk control. For 2016/17, many of these targets are maintained as they move from initiation to a subsequent phase of development. These targets are outlined generally in the chart below.

REGULATORY EFFECTIVENESS
Improve resident safety and choice through regulation

INITIATIVE 1: Establish consistent standard of resident safety and consumer protection throughout the retirement home sector

Activities	Targets
a) Through inspection and analysis, evaluate baseline compliance and changes in compliance rates over time to inform areas of regulatory focus b) Align interventions, including educational or outreach activities, to improve compliance on identified priority items c) Continue to develop and enhance effective, risk-based compliance monitoring activities	Conduct educational/outreach activities in priority areas identified through ongoing monitoring. Promote awareness of the RHRA's complaint process, using the information in complaints to help inform regulatory priorities. Continue to refine centralized compliance monitoring function with a focus on best practices, and identify applicable measure(s) to evaluate effectiveness of this program.

INITIATIVE 2: Build the organizational capability to identify and control risks relating to resident safety and choice

Activities	Targets
d) Refine operational structures and protocols to support the oversight of operational risk control projects with a focus on project execution e) Complete initial implementation of analytics to support evidence-based decision making in planning and evaluating effectiveness and efficiency of regulatory activities f) Optimize capacity for handling higher-risk complex regulatory cases.	Establish regular oversight and progress reporting on operational risk control projects that leverages initial implementation structures, and includes communication internally, and as applicable, externally to stakeholders. Implement the plan for building sustained capacity in data analytics as drafted in the prior year. Document 'standard' procedures for dealing with higher risk cases such as unanticipated home closures.

REGULATORY EFFECTIVENESS *(continued)*

INITIATIVE 3: **Refine the organization's approach to unlicensed homes**

Activities	Targets
g) Identify key issues relevant to unlicensed homes (e.g. reasons behind unlicensed operation) h) Determine appropriate ongoing allocation and method of deployment of internal resources i) Enhance strategies and activities to control risks relating to resident safety, including seeking opportunities for partner collaboration in identification of homes	Conclude related projects by adopting action or risk mitigation plans addressing relevant circumstances contributing to unlicensed status.

INITIATIVE 4: **Provide advice to the Minister/government in its review of the** *Retirement Homes Act, 2010*

Activities	Targets
j) Participate in development of policy regarding proposed legislative changes, including presentation of relevant data collected through regulatory activities, as requested by the Minister k) Participate in public and stakeholder communications and consultations regarding any proposed legislative changes l) Provide timely information and recommendations for legislative change to the Minister regarding issues/concerns related to the administration of the Act	Update submissions to government regarding legislation review as applicable.

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

INITIATIVE 1: Continue to establish processes to support statutory oversight

Activities	Targets
a) Further establish the Risk Officer role by working with the incumbent on reporting and related processes	Where relevant, address Risk Officer's recommendations from first annual report, and respond to second annual report.
b) Continue to enhance the RHRA's relationship with the Complaints Review Officer by refining relevant processes	Update processes with Complaints Review Officer as applicable.

INITIATIVE 2: Board reporting on regulatory impact

Activities	Targets
c) Develop plan to move toward regular reporting to Board on regulatory impact	Using the RHRA Board of Directors' feedback on work completed, align reporting on impact with updated strategic plan.
d) Establish RHRA value by identifying outcome measures to evaluate RHRA success and impact (Regulatory Impact Framework) that aligns with legislative requirements, strategic priorities, government accountability requirements, and operational risk control strategy	Sustain implemented ERM practices including management review, and update the ERM policy of the Board.
e) Develop analytics model to support regulatory impact framework	
f) Continue development and integration of enterprise risk management (ERM) practices into the management of the organization, alongside the Board's ongoing oversight practices, including regular reporting	

INITIATIVE 3: Build an organization that is financially stable providing predictability to licensees, and that demonstrates good value

Activities	Targets
g) Conduct the annual review of the RHRA's fee schedule, as required by the RHRA Fee Setting Policy	Implement the 2017 fee schedule. Complete project relocating the RHRA's offices.
h) Use analysis of regulatory interventions to inform resource allocation requirements, including addressing any pressures resulting from growth in specific regulatory activities	
i) As part of the corporate plan, define long-term facilities requirements	

CORPORATE ALIGNMENT *(continued)*

INITIATIVE 4: Continue to develop the RHRA's human resources, building toward a highly effective organization characterized by an engaged, capable and dedicated staff

Activities	Targets
j) Continue building organizational capacity by maintaining and enhancing a focus on staff development for mid- and long-term needs k) Enhance organizational development practices in the areas of highest priority, based on organizational need and employee feedback survey results	Implement improved structure and rigor for internal training program to support knowledge and capacity generally, including cross-training. After completing second employee survey, identify and implement actions addressing relevant priorities.

STAKEHOLDER COLLABORATION / OUTREACH
Effectively engage stakeholders to support RHRA awareness and partner collaboration

INITIATIVE 1: Build awareness and enhance understanding of RHRA

Activities	Targets
a) Support stakeholder understanding and gain feedback from stakeholders regarding RHRA's activities b) Continued development of targeted educational materials to support interventions on priority RHRA and compliance items with retirement homes c) Continued development of targeted education and outreach activities to enhance resident, families, and public awareness and understanding of the RHRA	Update collateral materials and tools on website specifically those oriented toward consumer awareness and education. Complete 20 education/outreach activities with retirement home operators and staff related to priority compliance areas. Establish on-going awareness measurements in alignment with updated strategic plan.

INITIATIVE 2: Improve capacity for the RHRA to effectively and efficiently deal with external issues

Activities	Targets
d) Engage third-party provider to develop crisis communications strategy and plan	Use learnings from test case exercise to update relevant documented procedures, and re-test with a subsequent case exercise.

INITIATIVE 3: Work with partners to support increased resident safety and choice

Activities	Targets
e) Prioritize development of partnerships with key regulatory organizations and other agencies that support specific RHRA initiatives	Identify target partnerships concurrent with updated strategic plan.

GOVERNANCE

The governance of the RHRA is established through the Act, its regulations, by-laws and a Memorandum of Understanding (MOU) with the government through Ontario Seniors' Secretariat to the Minister Responsible for Seniors Affairs. The Board of Directors is accountable to the Minister through the Chair of the Board. 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 developed to help plan for the provisions of quality services to meet the needs of the Francophone communities that RHRA serves and address complaints received by the RHRA by working with the complainant to resolve the complaint and management reviewing resolutions.

BOARD OF DIRECTORS

The Board of Directors 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 www.rhra.ca/en/about/board/.

RISK OFFICER

The Risk Officer is a statutory role that reports to the Board and exercises an independent role requiring independent decision making. The Risk Officer is responsible for reviewing, monitoring and assessing the effectiveness of the RHRA's administration of the Act, including its activities directed at ensuring that licensees meet care and safety standards, and ensuring the rights of residents are respected. Throughout 2015/16, the RHRA worked with the appointed Risk Officer supporting her review and responded to her first annual report, made available in Q3 at the RHRA's Annual General Meeting. 2016/17 will be the third year of the initial three-year term of appointment for the Risk Officer; additional term(s) of appointment require the approval of the Board of Directors and Minister Responsible for Seniors Affairs.

COMPLAINTS REVIEW OFFICER

A second independent statutory role requiring independent decision making, the Complaints Review Officer, is appointed by, and reports to, the Board of Directors, and is responsible for 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. The Complaints Review Officer continues to conduct eligible reviews as requested by complainants. 2016/17 will be the third year of the initial three-year term of appointment for the Complaints Review Officer; additional term(s) of appointment are at the discretion of the Board of Directors.

The Board maintains its role in enterprise risk management of the RHRA and is committed to ongoing efforts that continually strengthen its governance practices and oversight of the organization and maintains its support of government's public accountability mandate. As part of this effort, in 2015/16 the Board underwent an independent third party evaluation of its governance practices as required under its MOU with the government. The Board has reviewed this report and will consider the implementation of any relevant recommendations into 2016/17.
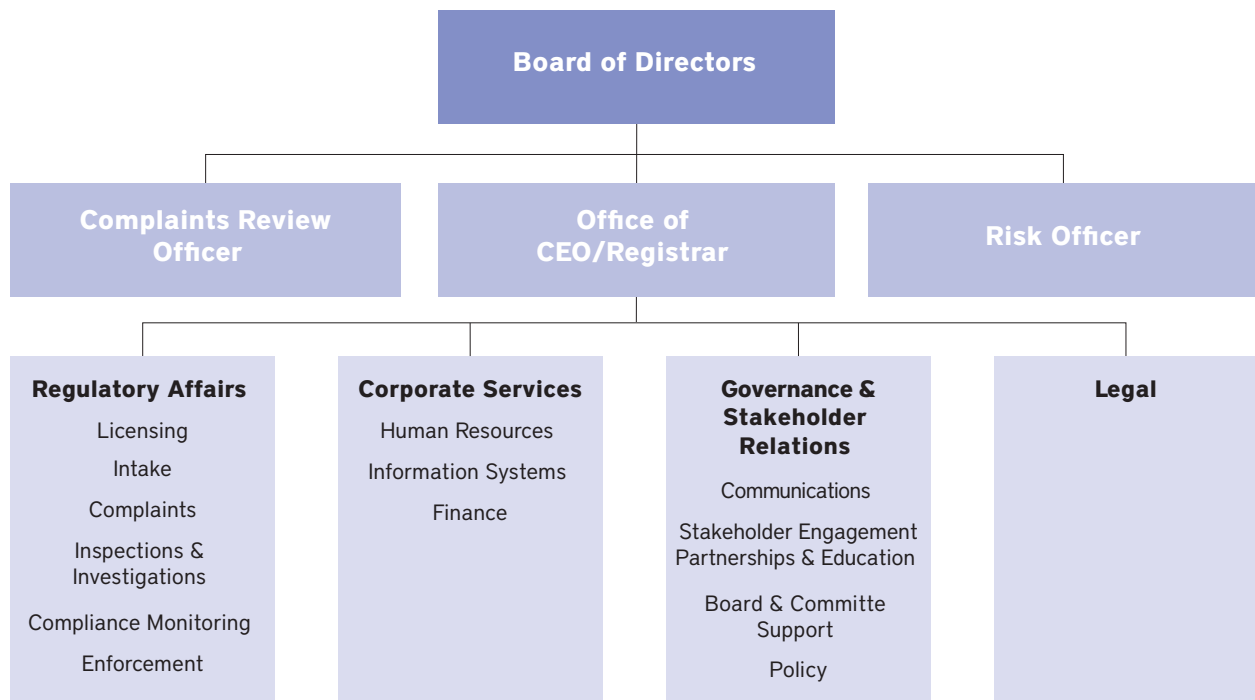
Stakeholder Engagement

In the governance of the RHRA's 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 (SAC), which includes representatives of key stakeholder groups. 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 SAC for feedback and advice, although the RHRA is not bound by the deliberations or a decision reached by SAC. Members must agree 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. Its scope includes that members:

- provide advice on issues pertinent to the business of the Board, and advice of an 'ongoing' or 'ad hoc' nature on specific issues; and
- may identify issues that they recommend to the statutory officers and Board for specific attention.

Human Capital

Fiscal 2016/17 is expected to result in continued evolution of the organization, particularly in view of, and concurrent with, the updating of its strategic plan. While ongoing review is inevitable, many functions will remain largely stable going into 2016/17 in terms of resource requirements. RHRA will continue focus on supporting capacity building, particularly in data analysis and operational risk control. Building capacity for communication and awareness activities, and in managing higher risk regulatory cases that are resource intensive will be prioritized in the coming year. The organizational structure is as generally laid out in the diagram below.

```
                        ┌──────────────────────┐
                        │  Board of Directors  │
                        └──────────────────────┘
         ┌─────────────────────┬─────────────────────┐
┌──────────────────┐  ┌──────────────────┐  ┌──────────────────┐
│ Complaints Review│  │    Office of     │  │   Risk Officer   │
│     Officer      │  │  CEO/Registrar   │  │                  │
└──────────────────┘  └──────────────────┘  └──────────────────┘
```

Regulatory Affairs	Corporate Services	Governance & Stakeholder Relations	Legal
Licensing	Human Resources	Communications	
Intake	Information Systems	Stakeholder Engagement Partnerships & Education	
Complaints	Finance	Board & Committe Support	
Inspections & Investigations		Policy	
Compliance Monitoring			
Enforcement			

Financial

The RHRA is well established as fiscally self-sustaining, with a strong financial position that it carries into 2016/17. With continued pressure on resources resulting from increases in activity, particularly with inspection, complaints, and enforcement activities, the RHRA continues to refine its understanding of likely future work volumes and monitor resource requirements closely.

Moving into its next phase of maturity and growth the RHRA expects additional expenditures in communications related activities, and an increase in facilities expenses.

Sound fiscal management practices in 2015/16 resulted in a better than expected financial standing and will augment the RHRA's operating reserve which in turn will help maintain relative consistency in fees over the mid-term by providing financial flexibility to absorb fluctuations in expenses driven by regulatory activity.

REVENUE

The 2016 fee schedule was distributed in September 2015. Annual licence fees are the primary source of revenue for the RHRA, accounting for approximately 90% of all revenue, and are billed in advance for the calendar year. The 2016 fee schedule included an increase in the annual licence fee of 2.4% over the 2015 rate (aligned with Consumer Price Index), and will impact Q1 through Q3 of the 2016/17 fiscal year. A large number of ownership transactions (and resulting applications) had a positive effect on revenue in 2015/16, however this is subject to fluctuation year to year.

Growth in the number of licensees and suites is expected to create additional revenue in annual licence fees. It is forecasted that in 2015/16, the sector will have added approximately 2,000 suites by the end of the year, representing an increase of about 3.5%. A similar growth pattern has been included into the revenue projections for 2016/17.

EXPENSES

Compensation costs are the primary expense for the RHRA, and are expected to increase in 2016/17. The increase will result from a full year of employment for staff added throughout the previous year, as well as from select staffing changes in 2016/17, as required to support increases in activity, and the priorities identified in the business plan. The RHRA continues to focus on improving and finding efficiencies in its operations, one such example over the past year was reducing the per inspection travel cost through improved geographic allocation of staff. Looking toward 2016/17, the RHRA will be required to absorb certain expenses increases, most notably its facilities expenses as it negotiates a new lease. The organization will continue to evaluate its processes for improvements and efficiencies to help offset upward pressure on expenses in other areas and maintain relative stability in overall expenses relative to revenue growth. General expenses are forecasted to stabilize at rates comparable to 2015/16, except those connected directly to staffing levels.

At the beginning of 2015/16, the Board of Directors authorized an allocation of $300,000 into the Emergency Fund, a restricted fund set out in the Act, following a review of the 2014/15 financial results. A similar evaluation will be undertaken at the conclusion of 2015/16 when a review of experience and risk will be undertaken in accordance with its funding policy. Any contribution may affect the amount that the RHRA may make to its operating reserve, but it is not expected to have an impact on the 2016/17 budget.

In 2015/16, the RHRA undertook an exercise modeling five-year forecasts as a means to evaluate future sustainability and test its financial metrics. Resulting from this, the RHRA is presenting below a basic three-year financial forecast. There is fluctuation expected in any such forecast as assumptions and operating conditions change over time. Factored into this forecast are assumptions of continued regulatory activity increases consistent with sector growth, along with relevant revenue and expenses reflecting general price increases. A summary of the forecasted statement of operations is shown below.

Retirement Homes Regulatory Authority

STATEMENT OF OPERATIONS

3 year Forecast

	2017 Budget	2018 Forecast	2019 Forecast
	$	$	$
Revenues			
Annual licence fees	6,605,105	6,849,379	7,194,588
Application fees	793,000	793,000	793,000
Administrative fees	23,114	23,500	23,500
Interest income	115,000	120,000	120,000
Total Revenues	7,536,219	7,763,879	8,131,088
Expenses			
Salaries, wages and benefits	5,276,481	5,532,862	5,871,024
Operating	2,060,758	2,076,682	2,104,307
Amortization of capital assets	198,500	176,000	155,000
Total Expenses	7,535,739	7,785,544	8,130,331
Excess of revenue over expenses	480	335	757

Notes

RHRA Retirement Homes
Regulatory Authority

160 Eglinton Avenue East, 5th Floor

Toronto, ON M4P 3B5

Telephone: 1-855-ASK-RHRA (1-855-275-7472)

Email: info@rhra.ca

Website: **www.rhra.ca**