



BUSINESS PLAN

2017-2018

INTRODUCTION

Mandate

The Retirement Homes Regulatory Authority (RHRA) is mandated by the government to administer the Ontario Retirement Homes Act, 2010 (the Act). Our core responsibility is to enhance the safety and consumer protection of residents in Ontario's retirement homes. We are both a regulator and an advisor, with a singular focus on ensuring that retirement homes operate in a manner that support residents in living with dignity, respect, privacy, and autonomy, in security, safety and comfort and can make informed choices about their care options.

Scope

We fulfill our mandate by:

- Informing and educating the retirement home sector, residents, and the public about the Act, regulations and role of the RHRA;
- Licensing retirement homes and maintaining a Public Register available on our website; and
- Inspecting retirement homes, overseeing compliance with the regulations and care standards and enforcing the Act for the protection of residents.

Organizational Structure & Accountability

The RHRA is an independent, not-for-profit, corporation that is self-financed primarily through annual fees. The RHRA is not part of the Ontario government, nor are we a Crown Corporation. We are accountable to government through the Ministry of Seniors Affairs to the Minister, through a written Memorandum of Understanding.

Accountability, efficiency and effectiveness are three of our core values. The Strategic Plan, Business Plan and Annual Report are three public documents that guide, track and communicate the RHRA's performance and plans. Each of these documents can be found on the website, www.RHRA.ca.

STRATEGIC PLAN AND BUSINESS PLAN

For the first five years of existence, we have been guided by a Strategic Plan that focused on building core capabilities, including 1) regulatory effectiveness, 2) corporate alignment, 3) stakeholder collaboration and outreach. During 2016/2017, we continued with these areas of focus at the same time as we embarked on setting the course to guide the RHRA through its next five years of existence. A report of activities related to fiscal year 2016/2017 will be provided through the RHRA Annual Report following year end, March 31, 2017 and will focus on core deliverables related to:

- Our expansion of communications capacity;
- The automation of key processes;
- The creation of a risk framework; and
- Development of Strategic Plan 2022.

Under the leadership of the new Board Chair, John J. Rossiter, and new CEO and Registrar, Bonnie Rose, we conducted an extensive environmental scanning and engagement process to inform our new Strategic Plan. The resulting plan moves RHRA towards an evidence based risk managed approach to compliance. This includes making data driven decisions, as well as putting more emphasis on education and other activities to support compliance and enable operators to meet standards. This focus is now reflected in all elements of the Strategic Plan including the refreshed Mission and Vision.

Vision

Ontarians have choice and the protection they need to live with confidence and dignity in retirement homes.

Mission

The RHRA employs the most effective means to encourage & achieve compliance, to reduce harm, to support residents and families in making informed choices, and to enable a strong and diverse sector. Using an innovative and balanced approach, we:

- Use data, evidence and analysis to support a risk-based approach to decision-making;
- Inform, educate and engage current and prospective residents, families, partners and other stakeholders;
- Inform, guide, inspect and educate the retirement home sector; and
- Use all available tools to protect residents including enforcement.

Throughout the implementation of the plan, we will be measuring progress based on:

- Improved inspection consistency;
- Increased compliance;
- Increased, demonstrated effectiveness of regulatory tools;
- Greater satisfaction from retirement home operators and residents;
- Reduced harm to residents;
- Better informed residents with choice;
- Strong, effective relationships with relevant regulators;
- Data driven decision making;
- Operators access to more educational/training options;
- RHRA operational capacity to implement the Strategic Plan; and
- RHRA's leadership role as a trusted advisor for policy and data.

Initiatives and Activities for 2017/2018

Fiscal year 2017/2018 marks the beginning of our efforts to implement the new Strategic Plan and will see a fundamental shift in our Inspection, Compliance and Enforcement approach. Our emphasis will turn to those activities that directly support the maximization of voluntary compliance. This includes using data to drive our decision processes including inspection frequency and compliance and support enforcement. Our progress will be measured through annual key performance indicators.

Specifics of our Plan for 2017/2018 include:

Strategic Pillar 1: Enhance Regulatory Approach

During 2017/2018 we will aim to:

- Develop, pilot and revamp enforcement decision making criteria in order to drive effectiveness, and consistency;
- Revamp the regulatory model to allow for compliance and enforcement to best use all available tools;
- Develop two compliance standards and conduct training for stakeholders; and
- Strengthen relationships with other regulators.

Specific activities will include:

- Creating compliance standards related to *Plans of Care* and *Complaints*, and providing educational and support materials to Retirement Homes;
- Advising government agencies on policy directions that may have implications to consumer protection related to the Retirement Home living; and
- Implementing specific steps to revise our regulatory model through new approaches to Inspections, Compliance, and Enforcement including:
 - Creating a compliance support function;
 - Revised licensing processes, application form and new licensee kit;
 - Implementing a new data driven Inspection model;
 - Implementing new policies related to Enforcement actions; and
 - Development of data collection and analytics systems to inform inspection frequency.

Strategic Pillar 2: Strategic Information through Data Analytics

During 2017/2018 we will aim to:

- Ensure data integrity and reliability to inform decision making;
- Develop and begin implementation of an evidenced based compliance management framework; and
- Develop reporting system to inform RHRA of high risk Homes.

Specific activities will include:

- Conducting a peer review of evidence based compliance management frameworks to inform the new approach to Inspection, Compliance, Enforcement;
- Improving and implementing new instruments to track data; and
- Developing “Risk Scores” to inform what triggers Inspection, Compliance, and Enforcement actions.

Pillar 3: Promote Informed Decision Making Through Outreach

During 2017/2018 we will aim to:

- Create communication capacity and expertise, and develop and execute a communications strategy to educate, inform and engage the public, Retirement Home operators, licensees and residents as well as other key stakeholders;
- Develop a crisis communication plan that supports the RHRA in being responsive to issues; and
- Build social media capabilities in order to support transparency and public awareness.

Specific activities will include:

- Creating an integrated communication and stakeholder relations plan to support Strategic Plan 2022;
- Developing an improved web presence that meets the specific information and user needs of both the public as well as Retirement Home operators and licensees;
- Creating new e-platforms to reach both the public and Homes;
- Creating new proactive and reactive media relations strategies;
- Creating an engagement plan for stakeholders including MPPs.
- Introducing a Residents' communication plan.

Strategic Pillar 4: Consumer Protection and Choice through Transparency

During 2017/2018 we will aim to:

- Increase access to current inspection outcome data through new and improved channels including the online Register and digital/social media channels.

Specific activities will include:

- Creating a more user friendly online Public Register; and
- Using our new RHRA social media channels to highlight changes made to the Public Register in real time.

Strategic Pillar 5: Prepare for the Future

During 2017/2018 we will aim to:

- Establish dedicated environmental scanning systems to identify future areas of strategic importance;
- Conduct research on emerging issues as the implications to the RHRA and its mission.

Specific activities will include:

- Working with both internal and external stakeholders to develop a concept paper on best practice regulatory models with a special focus on the United Kingdom's Primary Authority model; and
- Developing a feasibility plan for an alternative compliance model.

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 the Ministry of Seniors Affairs to the Minister. 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 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/.

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 2016/17, the RHRA worked with the appointed Risk Officer supporting her review and responded to her second annual report, made available in Q3 at the RHRA's Annual General Meeting.

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 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.

The RHRA will continue to make its communications and information available in French to meet the needs of the Francophone communities that RHRA serves.

Complaints or concerns that relate to the administration of the RHRA may be received directly by management, staff members or Intake Representatives. Such complaints are referred to the appropriate staff for review and resolution. Any such complaint and its resolution are reviewed by the RHRA management team to determine the impact or action required related to RHRA policies, processes or informational material and the board is advised of substantive concerns.

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 as evidenced through its recent Strategic Planning process. Integral to its consultation process is its Stakeholder Advisory Council (SAC), which includes representatives of key stakeholder groups. The RHRA has adopted a 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.

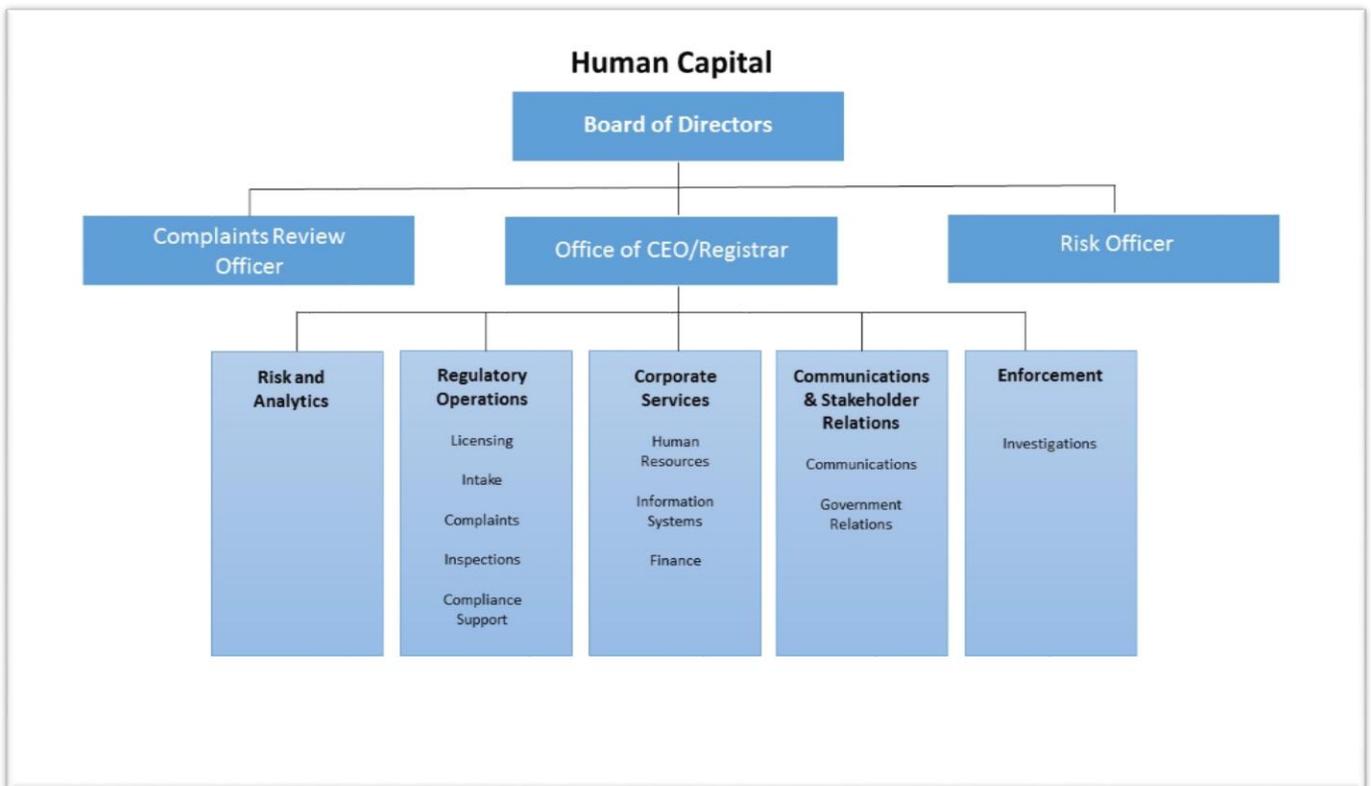
Members must agree to abide by the relevant sections of the MOU, by-laws and policies of the Board, including the Code of Ethics and the Access and Privacy Code. Its scope includes that members:

- 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.

RESOURCING

Human Capital

A key focus for 2016/2017 was capacity building to support our new strategic priority. Changes included the addition of expertise and resource capacity in Risk and Analytics as well as Communications and Stakeholder Relations. The new organizational structure also provides better alignment of functions as outlined below:



Financial Position

The RHRA is well established as fiscally self-sustaining, with a strong financial position that it carries into 2017/18. The organization continues to experience pressure on resources from increases in regulatory activity, and in undertaking additional proactive communications that align with its mandate in education and awareness.

Heading into 2017/18, the RHRA is entering its first year of implementation of its renewed strategic plan. This plan includes making judicious investments in human capital to support these initiatives, and for the first time in its history planning for a modest deficit for the year.

The RHRA will continue its prudent fiscal management practices and where appropriate seek to out-perform its forecasts. This same practice over the past several years has resulted in the RHRA achieving an operating reserve that provides stability and flexibility to absorb fluctuations in expenses driven by regulatory activity which cannot always be anticipated.

Revenue

The 2017 fee schedule was distributed in September 2016, and included a modest inflationary increase of 1.2% to the annual licence fees over the previous year's rates. These 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. Growth in the number of licensees and suites is expected to create additional revenue in annual licence fees. It is forecasted that in 2016/17, the sector will have added approximately 1,600 suites by the end of the year, representing an increase of about 2%. A similar growth pattern has been included into the revenue projections for 2017/18.

Expenses

Compensation costs are the primary expense for the RHRA, and are expected to increase in 2017/18 as some of the staff added from the previous year will have a full-year of employment. Changes in staffing relate to the implementation of our strategic initiatives, however there is no expectation of any significant growth in staff during the year. The RHRA continues to focus on improving and finding efficiencies in its operations, and has realized a number of improvements over the past year. Automation initiatives have been one example of this over the past year, and have been made possible in part by the collection and use of direct communication with licensees by electronic means rather than traditional mail for notifications. The organization will continue with finding opportunities to improve its efficiency to offset upward pressures on overall activities in other areas. In 2016/17, the RHRA successfully negotiated a two-year extension to its lease arrangements which will defer anticipated increases in its facilities expenses until the 2018/19 year. General expenses are forecasted to stabilize at rates comparable to 2016/17.

An evaluation of the Emergency Fund will be undertaken by the Board of Directors at the conclusion of the 2016/17 fiscal year. At present, it is not expected that any significant allocation will be recommended for the Emergency Fund 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 2017/18 budget.

As part of its strategic planning, the RHRA undertook an exercise to forecast its financial position in alignment with the initiatives identified as part of this plan. 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. The RHRA is making focused investments in 2018 as part of the early implementation of the

strategic plan. In 2019, the forecast includes an increase in expenses related to the anticipated relocation of its offices before retracting closer to balance in 2020. It is important to note that the RHRA anticipates these fluctuations and expects that it will be able to absorb deficits within its unrestricted net asset balance. A summary of the forecasted statement of operations follows:

Statement of Operations: Three Year Forecast

	2018 Budget	2019 Forecast	2020 Forecast
	\$	\$	\$
Revenues			
Annual licence fees	6,769,482	7,041,301	7,468,165
Application fees	500,000	500,000	500,000
Administrative fees	23,500	23,500	23,500
Interest income	120,000	120,000	120,000
Total Revenues	7,412,982	7,684,801	8,111,665
Expenses			
Salaries, wages and benefits	5,702,585	5,845,150	5,991,278
Operating	1,704,346	1,936,345	1,990,613
Amortization of capital assets	196,000	193,400	208,900
Total Expenses	7,602,931	7,974,894	8,190,792
Excess of revenue over expenses	(189,949)	(290,093)	(79,127)