

April 2017

**Retirement Homes Regulatory Authority Response
Regarding the RHRA Risk Officer’s Annual Report 2016-17**

Introduction

Deanna Williams was appointed as Risk Officer in March 2013. The Risk Officer reports to the Board of Directors and exercises an independent role in assessing the effectiveness of the RHRA’s administration of the Retirement Homes Act, 2010, and O. Reg. 166/11.

The Board accepted the Risk Officer’s third annual report in March 2017 including its recommendations. The report focused on the RHRA’s Emergency Fund, specifically its administration and funding. The report outlined the Risk Officer’s methodology, which included: review of legislation, regulation and policies relevant to the establishment and administration of the Fund; review of files related to payments made from the Fund to understand nature of incidents leading to payment requests and consistency with respect to application of processes; and meetings with Registrar and staff.

The Board commends Ms. Williams for her work and welcomes her report which provides opportunity for further continuous improvements within RHRA to advance the safety and protection of retirement home residents.

Risk Officer Annual Report 2016-17 Recommendations	RHRA Response to Risk Officer Annual Report
<p>A valid and defensible plan to ensure the sufficiency and financial viability of the Emergency Fund for years to come should be developed and approved by the Board as soon as possible. The Board could, respectfully, consider a two-step process, as follows:</p> <ol style="list-style-type: none"> 1. Establish a funding target based on the appropriate expertise. The figures and data respecting payments and the nature of events leading to payments over the past three years since enabling legislation came into being would be useful in assisting the Board in determining what the desired full funding target should be. It is recommended that the Board set a funding target as early as possible in 2017. 2. Establish a plan to get to the desired target. The Board already has considered the proposed options that are listed above. 	<ul style="list-style-type: none"> • The RHRA has completed a full review of its Emergency Fund including seeking a second third-party expert opinion regarding risk exposure assessments and has a full plan in place to ensure its sufficiency and financial viability. • On, February 2017 the Board approved a revised Emergency Fund contributions, payments and investment policy. The Policy: <ul style="list-style-type: none"> ○ Establishes a funding target – a maximum payable amount within 12-month period or for related claims ○ establishes the framework and practices to be followed by the RHRA to manage its financial contributions to the Fund in a prudent manner that meets the spirit of the legislation to have appropriate financial resources in the Fund and be readily available to the Registrar

Risk Officer Observations and Comments of Note	RHRA Comments
<p>The RHRA might, in future, consider development of a guideline/proposal to homes with respect to what EEI policies should include, for consistency.</p>	<ul style="list-style-type: none"> • The RHRA developed a guideline to support retirement home compliance of Act requirements related to extra expense insurance coverage. The guideline titled “Instructions for Completing and Submitting Certificate of Insurance” was made available October 2016 and includes: <ul style="list-style-type: none"> ○ Certificate must demonstrate coverage from an authorized insurer (as defined by Act) ○ Must demonstrate insurance policy includes: <ul style="list-style-type: none"> ▪ extra expense insurance coverage to pay for the cost of providing alternate accommodation for all residents of a specific retirement home for no less than 120 days, as a result of a loss or damage to the home caused by a peril* for which insurance is reasonably available ▪ limit of extra expense insurance applicable to the policy • Future work will include, RHRA review and consideration of refinements to guideline with respect to what EEI policies should include to support consistency.
<p>Although it is a requirement under s.5.2 (1) of the regulation that every licensee of a retirement home shall, at all times, maintain in full force and effect EEI from an authorized insurer, there was, in my view, a relatively high degree of non-compliance in 2015-16 among operators/licencees in providing requested evidence of current and paid up EEI policies to the RHRA. Outstanding EEI certificates for over 300 operators/licencees in 2016 prompted the Authority to initiate its Extra Expense Insurance Automation Project.*(see note below)</p> <p>Note: The Authority has pro-acted to explore ways to increase levels of compliance. Since the summer of 2016, RHRA has undertaken two new projects to improve both compliance and stakeholder outreach. The objective of the Email and Extra Expense Insurance Automation Project is to achieve greater corporate automation to streamline and enhance compliance and the Authority’s communications.</p>	<ul style="list-style-type: none"> • The RHRA has successfully increased levels of EEI compliance through implementation of our Email and Extra Expense Insurance Automation Project resulting in: <ul style="list-style-type: none"> ○ Improved outreach and communication to operators and licencees using email ○ Full EEI automation (notice/reminders/collection of EEI certificates) ○ 98% EEI compliance rate @ March 2017