



BUSINESS PLAN

2018-2019

INTRODUCTION

Mandate

The Retirement Homes Regulatory Authority (RHRA) is mandated by the government to administer Ontario's *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 for Seniors Affairs, to the Minister by way of 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

In 2017/18 under the leadership of the Board Chair, John J. Rossiter, and CEO and Registrar, Bonnie Rose, we launched into the first year of our strategic plan 2022. Overall, it was a successful year with a number of accomplishments. Included among these was the expansion of our efforts that help homes achieve compliance without the necessity of enforcement actions, specifically including the roll-out of our compliance support function and the development the first Compliance Assistance Learning module, focused on Complaints. In 2017/18 we overhauled our website so that it can better act as a central communication resource for a variety of stakeholders. This was a foundational improvement that current and future outreach activities can build upon for effective and efficient communication. Furthering our work in developing our regulatory model, we were able to undertake a number of initiatives to benchmark our framework against current best practices as well as innovative regulatory practices, including completing a peer review process of our framework. A full report of activities related to fiscal year 2017/18 will be provided through the RHRA Annual Report following year end, March 31, 2018.

Our development of strategic plan 2022 coincided with an update to the RHRA's vision and mission which reflect the origin of the core elements of the strategic plan.

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 and 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 strategic plan, we will be measuring progress based on:

- Reduced harm to residents;
- Increased compliance;
- Increased, demonstrated effectiveness of regulatory tools;
- Greater satisfaction from retirement home operators and residents;
- Improved inspection consistency;
- 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 2018/2019

Fiscal year 2018/19 marks year two in the implementation of strategic plan, 2022. Building on the successes from 2017/18, we will focus on continuing to increase awareness for RHRA and the role it plays in helping seniors make informed decisions as well as protecting consumers. Specific steps that took place in 2017/18 included the launch of a newly developed website and a provincial tour to meet with residents and other stakeholders.

Our focus on enhancing our approach to inspection, compliance and enforcement and making data driven decisions will continue this coming fiscal year. We will also continue to roll our compliance assistance learning modules, introducing two new ones in 2018/19, in order to support homes in understanding requirements. We will also continue with efforts to streamline and automate our internal processes continually finding ways to improve our overall efficiency and effectiveness in administering the Act.

In addition to the priorities identified as part of our strategic plan, we will also be preparing for the implementation of the recent amendments to the Act. Some of these changes may be relatively easily incorporated into current practices, while others may require considerable preparation for thorough implementation.

Specifics of our Plan for 2018/19 include:

Strategic Pillar 1: Enhance Regulatory Approach

During 2018/19 we will aim to:

- Begin a process that will define our inspection model of the future;
- Develop two compliance standards and conduct training for stakeholders;
- Revamp internal procedures to improve efficiency and the regulatory model to allow for compliance and enforcement to best use all available tools; and
- Strengthen relationships with other regulators.

Specific activities will include:

- Creating compliance standards related in two of these three areas: *Behaviour Management Policies; Emergency Plans; and Confinement*, and providing educational and support materials to Retirement Homes;
- Implementing specific steps to revise our regulatory model through new approaches to Inspections, Compliance, and Enforcement including:
 - Improving and enhancing our Inspection model through implementation of additional automation of data, streamlining our ability for monitoring specific compliance areas over time, and enhancing our methods to better assess compliance; and
- Continuing with, and where appropriate enhancing, our compliance support function.

Strategic Pillar 2: Strategic Information through Data Analytics

During 2018/19 we will aim to:

- Incorporate early learnings on the design and introduction of our evidence based compliance management framework;
- Further refine our analytics and assessment practices by expanding our data sets and processes for incorporation in our regulatory model; and
- Improving our collection and analysis capacity of harms related information.

Specific activities will include:

- Incorporating results of the peer review process into our compliance management framework;
- Conducting research on quality of life indicators and how these may inform future analysis and reporting;
- Identifying and incorporating external data sources that can inform our analysis and further enhance our identification of risk; and
- Refining the approach and content of the annual survey following the learnings and results of the inaugural survey completed the prior year.

Pillar 3: Promote Informed Decision Making Through Outreach

During 2018/19 we will aim to:

- Continue with the implementation of our communications strategy to educate, inform and engage the public, Retirement Home operators, licensees and residents as well as other key stakeholders;
- Enhance awareness of the RHRA by strengthening relationships with government and relevant organizations with an emphasis on those involved with seniors care; and
- Promote the use of our website.

Specific activities will include:

- Through targeted outreach, build awareness among specific stakeholder groups including MPPs, LHINs and other health system organizations, and individual providers such as discharge planners;
- Introducing a new RHRA event with recognition/awards;
- Implementing an event plan targeting seniors/families and health providers;
- Expanding resident communication through introduction of new channels; and
- Improving media coverage and reach.

Strategic Pillar 4: Consumer Protection and Choice through Transparency

During 2018/19 we will aim to:

- Better inform consumers through improved presentation of the status of homes on the public register; and
- Create a prototype of the public report card based on research and stakeholder input.

Specific activities will include:

- Create new sections and information on the public register to inform consumers of the status of the home; and
- Work with consumers and the retirement home industry to identify a format for a public scorecard.

Strategic Pillar 5: Prepare for the Future

During 2018/19 we will aim to:

- Complete our stakeholder effectiveness assessment; and
- Create a forum for leaders to help shape the RHRA of the future.

Specific activities will include:

- Conduct the stakeholder effectiveness survey as required by the MOU;
- Create and facilitate a leaders' roundtable session; and
- Create a vision document that clearly articulates RHRA's strengths and abilities so that other entities can better utilize our strengths.

Performance Measures

Throughout its initial years in operation the RHRA has laid the groundwork for measuring its performance, and more specifically how to measure the impact of its strategic efforts including the regulatory framework. As a risk-based regulator, a central evaluation measure is whether, over time, the RHRA's efforts are reflected in changes in the risk profile of its licensees, its compliance support efforts and awareness by consumers for RHRA and its mandate. The foundation to measure the RHRA's performance in this respect has been built, and the RHRA will be sharing with key stakeholders this information towards the end of the 2017/18 Fiscal Year. In 2018/19 and beyond the RHRA will continue to refine and communicate the results of these measures in its annual report.

RHRA will also continue to measure and report publicly through its Annual Report its activities including licenses issued, complaints received, inspections, inquiries handed and enforcement actions.

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 2017/18, the RHRA worked with the appointed Risk Officer supporting her review and responded to her third annual report, made available in Q3 at the RHRA's Annual General Meeting and posted on RHRA's website. The RHRA views the Risk Officer's recommendations/comments as an opportunity for further continuous improvements within RHRA to advance the safety and protections of retirement home residents. The RHRA has taken action to mitigate any risks raised by the Risk Officer to date and will continue to do so going forward. Early in the 2018/19 year, the RHRA will complete its appointment process following the expiry of the Risk Officer's current term. This appointment will follow the Board's recommendation and the Minister's approval.

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's management to determine the impact or action required related to RHRA policies, processes or informational material and the board is advised of substantive concerns. The RHRA has developed a policy on administrative complaints.

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. 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:

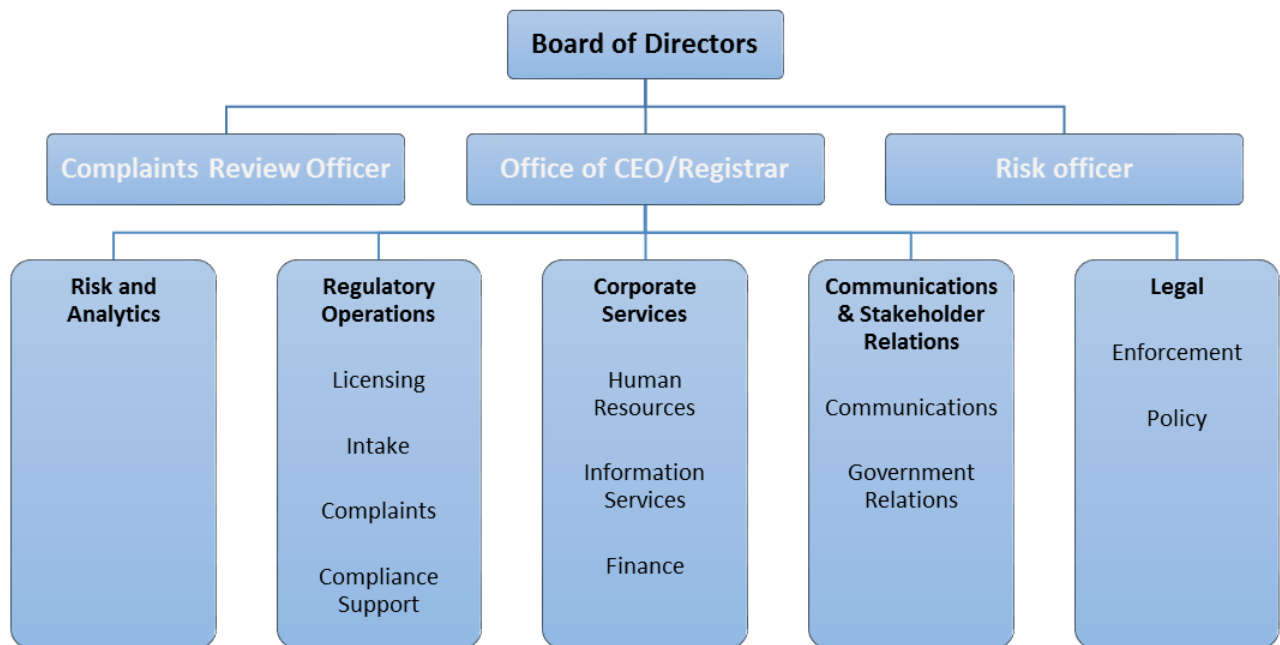
- provide advice on issues pertinent to the business of the Board, and advice of an 'ongoing' or 'ad hoc' nature on specific issues; and
- May identify issues that they recommend to the statutory officers and Board for specific attention.

RESOURCING

Human Capital

A key focus for 2017/18 was capacity building to support the implementation of the strategic plan 2022. The functional structure remains consistent with efforts over the past year focused on optimizing talent contributions. Continued stability in the organization of functions is reflected in the chart outlined below:

Human Capital



Financial Position

The RHRA is well established as fiscally self-sustaining, with a strong financial position that it carries into 2018/19. The organization continues to experience pressure on resources in fulfilling the initiatives contained in the strategic plan, and facing a number of demands in regulatory activity.

Heading into 2018/19, the RHRA is completing its first year of implementation of its renewed strategic plan, and will have experienced its first planned operating deficit. The RHRA has mitigated its operating deficit through prudent investment of its available cash which is expected to help sustain the RHRA's overall financial health. In 2018/19, a second consecutive year of operating deficit is expected as originally contemplated with various investments related to strategic plan initiatives.

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 2018 fee schedule was distributed in September 2017, and included an increase of 2.5% to the annual 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 fees. It is forecasted that in 2017/18, the sector will have added approximately 1,600 suites by the end of the year, representing an increase of about 2.8%. A similar, but slightly more conservative growth pattern of 2% has been included into the revenue projections for 2018/19.

Expenses

Compensation costs are the primary expense for the RHRA, and are expected to increase in 2018/19 as some of the staff added from the previous year will have a full-year of employment and savings resulting from deferred hiring and turnover are eliminated. Although the overall compensation costs will increase, there is no expectation of any significant growth in staff during the year as the organizational staff complement has largely stabilized. The RHRA continues to focus on improving and finding efficiencies in its operations, realizing a number of improvements over the past year. One such example is building our capability to better manage website content with internal resources thereby reducing use of external resources. The organization will continue to find opportunities to improve its efficiency to offset upward pressures on overall activities in all areas. In 2018/19, the RHRA's office lease expires following its last two-year extension, and the organization expects to incur increases to its facilities expenses starting in the year, including some one-time costs related to relocation of its offices. General expenses are expected to remain at rates comparable to 2017/18.

In February 2017 the Board of Directors adopted an updated Emergency Fund Contributions Policy. Following the parameters of this policy, no allocation will be made during the 2017/18 fiscal year as the Emergency Fund is expected to close with a balance of approximately \$595,000 which aligns with the target within that policy. For the same reason, no allocation has been anticipated in the 2018/19 budget. The funding status will continue to be monitored by the Board during the 2018/19 year.

The RHRA has updated its financial forecasts initially drafted as part of the strategic plan to reflect both changes in actual results during the past year as well as any expected future changes. 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. A summary of the forecasted statement of operations follows:

Statement of Operations

3 year Forecast

	2019 Budget	2020 Forecast	2021 Forecast
	\$	\$	\$
Operating Revenue			
Annual fees	7,213,266	7,548,819	7,928,198
Application fees	520,000	500,000	500,000
Administrative fees	20,800	20,800	20,800
Total Operating Revenue	7,754,066	8,069,619	8,448,998
Operating Expenses			
Salaries, Wages and Benefits	6,074,736	6,226,605	6,382,270
Operating	1,842,470	1,819,003	1,848,499
Amortization of capital assets	246,017	250,000	250,000
Total Operating Expenses	8,163,223	8,295,608	8,480,769
Operating Surplus/(Deficit)	(409,157)	(225,989)	(31,770)
Non-Operating Surplus/(Deficit)	337,230	293,019	284,236
Total Surplus/(Deficit)	(71,927)	67,030	252,466

Factored into this forecast are assumptions of continued regulatory activity increases consistent with sector growth, along with relevant revenue and expenses reflecting general inflationary price increases. The 2019 budget includes an increase in operating expenses related to the anticipated relocation of its offices before retracting to balance in 2020. It is important to note that the RHRA anticipates these fluctuations and expects that it will be able to absorb the deficit within its unrestricted net asset balance. A summary of the forecasted changes in net assets follows:

Changes in Net Assets: Three Year Forecast

3 year Forecast

	2019 Budget	2020 Forecast	2021 Forecast
	\$	\$	\$
Net assets, beginning of year	7,206,370	7,134,443	7,201,473
Total Surplus/(Deficit)	(71,927)	67,030	252,466
Net assets, end of year	7,134,443	7,201,473	7,453,939
Reserves			
Unrestricted reserve	1,087,749	1,102,232	1,163,039
Operating reserve	5,440,028	5,483,475	5,665,898
Emergency Fund	606,666	615,765	625,002
Total Net Assets	7,134,443	7,201,473	7,453,939