



**BUSINESS PLAN 2021-2022
WITH UPDATE ADDENDUM**

ABOUT THE ADDENDUM TO THE BUSINESS PLAN

Context

The Retirement Homes Regulatory Authority (RHRA) annually submits its business plan to the Minister for Seniors Affairs and Accessibility. The business plan is drafted and submitted concurrent with the development of its budget and includes financial projections.

The plan submitted in the normal course anticipated sustained change in resource requirements and defined planned activity and revenue correspondingly. Following extensive discussions with the Minister and stakeholder consultations, the RHRA has moderated its planned activities and updated its financial forecasts accordingly.

The addendum summarizes the alterations made to the original business plan submitted to the Minister and together with that document forms the plan for the year.

Mandate

The 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 supports 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 Ontario's more than 770 retirement homes and maintaining a Retirement Homes Database (formerly the Public Register) available on our website;
- Inspecting retirement homes, overseeing compliance with the regulations and care standards and enforcing the Act for the protection of residents; and
- Advising the Minister for Seniors and Accessibility on policy matters related to retirement homes.

Organizational Structure and Accountability

The RHRA is a not-for-profit corporation established as an administrative authority of the Ontario government through the Act. We are mandated to administer the Act and its regulations.

The government retains responsibility for the Act and regulations. The RHRA is responsible for ensuring the legislation and regulations are implemented and enforced. Headquartered in Toronto with staff deployed across the province, the RHRA is self-financed primarily through annual fees and receives no taxpayer monies. The RHRA is not part of the Ontario government, nor are we a Crown Corporation. However, we are accountable to government through the Minister for Seniors and Accessibility. A Memorandum of Understanding (MOU) sets out the roles and obligations of the RHRA and government.

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's operational capacity to implement the Strategic Plan, and
- RHRA's leadership role as a trusted advisor for policy and data.

RHRA values

Excellence

Fairness

Accountability

Collaboration

Efficiency and Effectiveness

ENVIRONMENTAL CONTEXT

The RHRA's Strategic Plan defines our priorities encompassing 2017-2022, and as such, we monitor developments in the marketplace, regulation and government policy, and other factors that could affect the achievement of the goals in our strategy.

The COVID-19 pandemic was the defining characteristic of the past 12 months. As the new fiscal year begins, the crisis is by no means over as the province finds itself in the throes of a third wave of the pandemic. While most retirement home residents received their vaccinations as of April 1, 2021, vigilance and restrictions remain in place.

It is not yet clear whether the pandemic will be a disruptive event that fundamentally changes the retirement home sector since the full and lasting effects aren't entirely clear. What is clear is that the pandemic has changed the public's expectations and attitudes toward elder care including the importance of an individual's choice – a fundamental principle enshrined in the Retirement Homes Act.

What follows from this is the expectation of a regulator in this space to look closely at how it is meeting its

mandate, the transparency of its communications of the information it collects, and how it is operating to demonstrate public value. This was highlighted in many of the observations and recommendations set out by the Auditor General in the value-for-money audit undertaken in 2020. There will also be an important pivot for the organization away from its primary focus on crisis management over the past year and return to its more holistic oversight approach. This will take place while the sector transitions to a 'new normal' once the immediate risk presented by the pandemic begins to abate.

While the overall picture is still in flux, some fundamental factors that were present prior to the pandemic have been further amplified by the experience of the past 12 months and are worthy of continued monitoring:

- Innovations and trends in operating models within the seniors' congregate care spaces
- Increasing awareness of RHRA, driving additional regulatory activity as more residents and their families avail themselves of the protections offered
- Continued exploration of options for the role of retirement homes in the broader health ecosystem, particularly as it relates to solutions designed to relieve the strain on the health care system
- Extending protections in the context of evolving alternative ownership and operating models that may increase regulatory complexity as it relates to senior living
- Rising age, acuity and tenure among current retirement home residents which could increase risk levels of homes, resulting in a corresponding requirement for increase in inspection frequency and/or other regulatory activity

The RHRA requires sufficient capacity to respond to the continuing pandemic situation, to fulfill its ongoing role as trusted advisor to government particularly in the context of legislative review and pandemic learnings, to address the recommendations of the Auditor General, as well as the increased consumer demand for information as seniors and their families seek to inform their retirement living choices and avail themselves of the protections offered by the oversight regime. With the increasing expectations of the RHRA both during the pandemic and prospectively, there is a need to take steps to ensure the financial sustainability of the organization. This need aligns with the observations, evaluation and recommendations made by the Auditor General in her report.

The characteristics of the 'new normal' for society, as well as the retirement homes sector are still evolving and will for some time to come. This uncertainty underscores the need for the RHRA to remain flexible, adaptable and nimble to continue to deliver on its important mandate. Ensuring the RHRA has the resources needed to meet all these needs will benefit all stakeholders by supporting the organization's focus on continuous improvement in best-in-class regulatory oversight practices.

STRATEGIC PLAN, BUSINESS PLAN and ANNUAL REPORT

The RHRA's Strategic Plan, Business Plan and Annual Report are its three major public reporting documents. The Strategic Plan defines the major corporate goals for five years and the leading strategies that will be used to address them. It also includes the measures that RHRA will use and/or develop to track progress. The Strategic Plan is supported by a Business Plan that defines the various activities that will be implemented to support each goal. It includes a three-year final plan and forecast for the years ahead. The Business Plan is updated annually as required to reflect progress made and new insights generated. The RHRA's Annual Report describes progress made against the commitments of the Strategic Plan and Business Plan.

Strategic Plan

The RHRA is embarking on year five of its Strategic Plan 2017-2022. Ordinarily, the RHRA would be in the process of finalizing its next multi-year strategic plan at this juncture. However, given the uncertainty and degree of disruption created by the COVID-19 pandemic, the RHRA's Board has asked management to create a bridge plan to encompass the 2021-2023 period, and will include priorities identified by the Auditor General in her 2020 report, as well as recommendations from RHRA's Risk Officer in his reports.

The 2021-2023 bridge plan comprises four pillars each with strategic objectives and is designed to enable the RHRA to 'plan for transition' from the COVID-19 pandemic and enable the organization to meet its mandate, including addressing the Auditor General's recommendations, while allowing the organization to develop its next strategic plan in the context of the broader stabilization and transition of the retirement homes sector and additional insight on direction through the legislative review process.

1. Use Evidence-based Research & Analysis to Drive Regulatory Model and Policy Advice
2. Review & Adapt our Regulatory Approach to 'post' COVID Environment
3. Build Trust with Public, Government, and Industry
4. Infrastructure & Capacity Transition

Use Evidence-based Research & Analysis to Drive Regulatory Model and Policy Advice

- Provide advice on Legislative Reform of the Retirement Homes Act and regulation
- Update RHRA's risk model
- Continue to expand RHRA's data partnerships
- Build RHRA's stakeholder data program

Review & Adapt our Regulatory Approach to 'post' COVID Environment

- Operational effectiveness improvements including enhancements to inspection reports to improve ease-of-use, incorporating more robust financial assessments into licensing process, continuous improvement initiatives for inspections
- Align enforcement strategy with crisis support & re-assess process alignment including initiatives to enable new management order powers, enhance compliance monitoring and compliance support programs

- Formalize regulatory collaboration processes with partners
- Operational recovery including addressing inspection backlogs, formalizing unlicensed homes monitoring and enhance reporting of non-compliance on RHRA's public online database
- Continue to enhance complaints handling

Build Trust with Public, Government, and Industry

- Increase RHRA's profile among government and stakeholders to enable role as key policy advisor
- Enhance education and awareness of RHRA among residents, families and prospective residents
- Continue to build out a public report card for Ontario's retirement homes, beginning with enhancements to the Retirement Homes Database

Infrastructure & Capacity Transition

- Replace RHRA's case management system and IT infrastructure
- Address RHRA's people, process and organizational resources to increase capacity, capability while maintaining efficiency

Business Plan Initiatives and Activities for 2021/2022

In order to progress against our bridge strategy goals, the RHRA has established the following priorities for the 2021/2022 year. Specifics of our plan include:

Strategic Pillar 1: Use Evidence-based Research & Analysis to Drive Regulatory Model and Policy Advice

- Provide advice on Legislative Reform of the Retirement Homes Act and regulation
- Update RHRA's risk model, with priority on areas of understanding resident profiles and complaints
- Continue to expand RHRA's data partnerships, seeking formal engagements with relevant agencies to supplement RHRA's own dataset.
- Build RHRA's stakeholder data program to provide foundations and infrastructure for efficient data sharing while maintaining appropriate controls for security and privacy

Strategic Pillar 2: Review & Adapt our Regulatory Approach to 'post' COVID Environment

- Operational effectiveness improvements including enhancements to inspection reports to improve ease-of-use, incorporating more robust financial assessments into licensing process, continuous improvement initiatives for inspections
- Align enforcement strategy with crisis support and re-assess process alignment including initiatives to enable new management order powers, enhance compliance monitoring and support programs
- Formalize regulatory collaboration processes with partners at the operational level to enhance protections and crisis response
- Operational recovery including addressing inspection backlogs, formalizing unlicensed homes monitoring and enhance reporting of non-compliance on RHRA's public online database
- Continue to enhance complaints handling processes

Strategic Pillar 3: Build Trust with Public, Government, and Industry

- Increase RHRA's profile among government and stakeholders to enable role as key policy advisor
- Enhance education and awareness of RHRA, its role in consumer protection and protections available under the Retirement Homes Act among residents, families and prospective residents
- Continue to build out a public report card for Ontario's retirement homes, beginning with enhancements to the Retirement Homes Database

Strategic Pillar 4: Infrastructure & Capacity Transition

- Replace RHRA's case management system infrastructure
- Address RHRA's people, process and organizational resources to increase capacity, capability while maintaining efficiency

PERFORMANCE MEASURES

For the past three years, the RHRA has reported outcomes on three high-level objectives that have the greatest impact to improve the protection of residents living in retirement homes: levels of risk (safety), compliance and transparency. Measures to evaluate the effectiveness of targeted activities and programs year-over-year, were set out in our annual reports for 2017/2018 and 2018/2019. These included:

- As a risk-based regulator, a central evaluation measure of the RHRA's performance 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/residents for RHRA and its mandate.

The RHRA set the baseline for these measures in its 2017/2018 Annual Report, repeated measurement in the 2018/2019 and this report. In 2019/2020 the RHRA drafted a more robust measurement framework in anticipation of a renewed Memorandum of Understanding with the Ministry for Seniors and Accessibility), however finalization of the performance measures was delayed due to COVID-19. This framework was referenced in the Auditor General's report and the AG recommended that the Ministry work to finalize this framework with the RHRA.

Safety

The RHRA currently measures the impact of the enhancements to its regulatory approach by assessing changes in the risk levels of Ontario's licensed retirement homes based on observed non-compliances. The RHRA tracks the number of homes that fall into the high-, medium- and low-risk categories. Risk is assessed on several dimensions including citations on areas where there is high risk of harm, the overall compliance history with respect to time and other factors such as extra expense insurance. The RHRA has continued to re-evaluate this measurement framework and will work with the Ministry to adjust this approach during this fiscal year.

Compliance

The RHRA currently measures its goal of increasing compliance by tracking citations related to complaints procedures. In 2017/2018, the RHRA set a baseline in this category and implemented training and support materials to help homes improve their performance by reducing the number of citations related to complaints handling. The RHRA continues to expand its library of compliance support materials and will expand and refine compliance-related performance measures accordingly. The RHRA has continued to re-evaluate this measurement framework and will work with the Ministry to adjust this approach during this fiscal year.

Transparency

The RHRA currently measures consumer awareness of the organization and the licensing requirement through a survey of the general population. The RHRA currently measures awareness of the existence of a regulatory body for retirement homes, the results of which are published in the annual report. However, it is more relevant to measure awareness among the subset of the population that is materially engaged in retirement home matters such as living in or researching retirement home options. The RHRA has continued to re-evaluate this measurement framework and will work with the Ministry to adjust this approach during this fiscal year.

GOVERNANCE

The governance of the RHRA is established through the Act, its regulations, by-laws, policies and a Memorandum of Understanding (MOU) with the government through the Minister for Seniors and Accessibility. The Board of Directors is accountable to the Minister through the Chair of the Board.

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. Appointed by the Board, with the Minister's consent, 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. The most recent Risk Officer review, available on the RHRA website, focused on RHRA's complaints-handling process. Further enhancements to the RHRA's complaints handling process planned for 2020/2021 are aligned with the recommendations in the Risk Officer's report.

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.

To support provisions within the Act and the RHRA's French Languages Services Delivery Policy, available on the RHRA website, the RHRA will continue to make its communications and information available in French to meet the needs of the Francophone communities that RHRA serves. The RHRA responds to all requests for French services.

Complaints or concerns that relate to the administration of the RHRA may be received directly by management, staff members or intake representatives. Official written complaints are referred to a member of the RHRA's management team and receive a written acknowledgment of receipt.

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. Complaints are tracked in a confidential database, including details of the complaint, RHRA actions and responses, and timeline to resolution. The RHRA's policy on administrative complaints is available on the RHRA website.

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
- Identify issues that they recommend to the statutory officers and Board for specific attention.

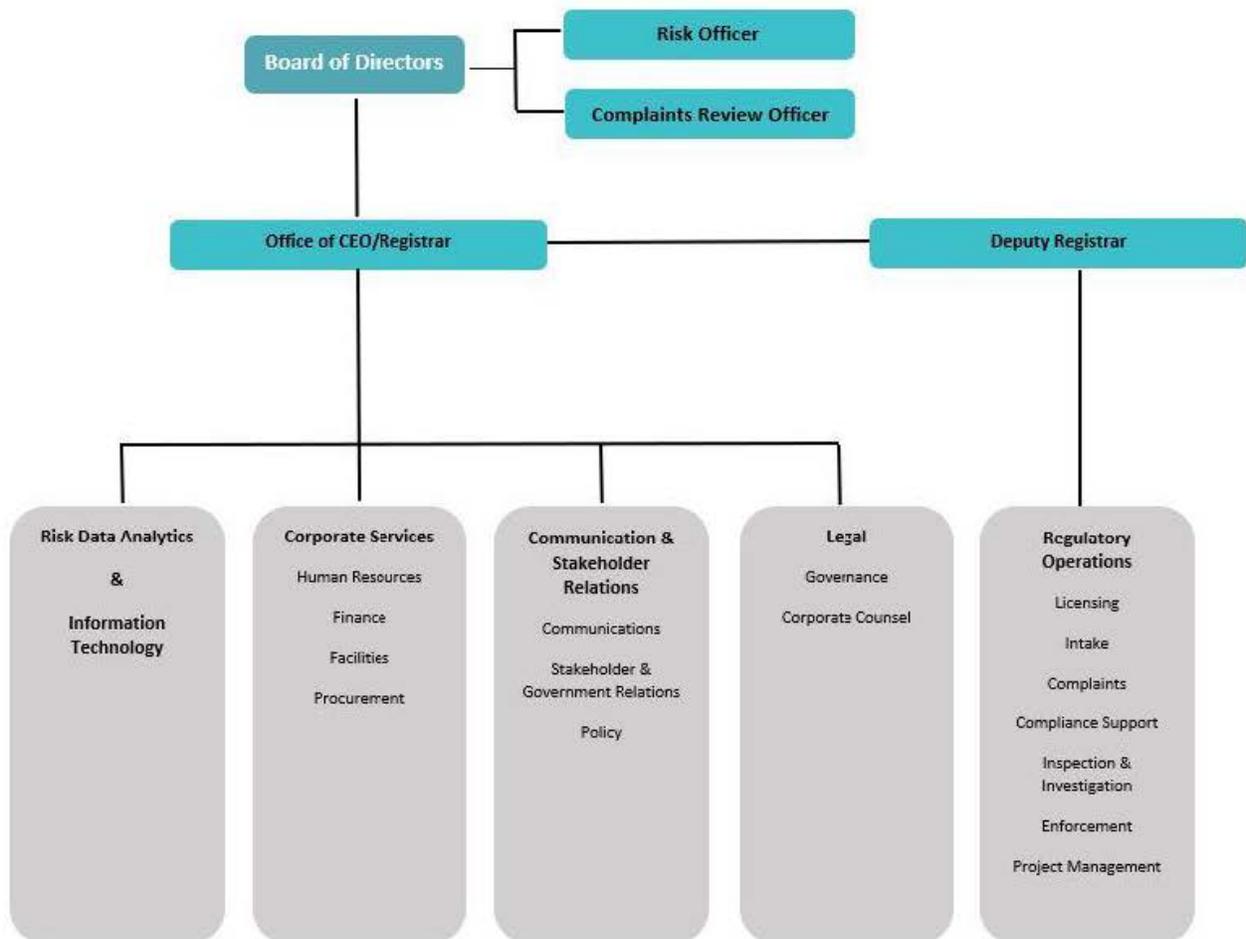
In addition, the RHRA engages stakeholders in project-specific working groups, pilot test groups, through its newly established Resident Network and through targeted outreach as appropriate to inform work set out in the 2021/2022 business plan. Information on the RHRA's stakeholder advisory committee can be found at rhra.ca

RESOURCING

Human Capital

A key focus for 2020/21 was to realign RHRA's resources on two key initiatives: COVID-19 crisis management and participating in and responding to the Auditor General's value for money audit. As the RHRA begins to transition to recovery in the aftermath of the pandemic, the functional structure is evolving and being altered with a focus on capacity and capability building, as well as realigning internal processes to optimize future efficiency where RHRA's activity continues to grow.

The organization of functions is reflected in the chart outlined below:



FINANCIAL POSITION

The pandemic had a significant impact on RHRA's operations and consequently its overall financial position. While RHRA had been well-established as fiscally self-sustaining, with a stable financial position leading into the 2020/2021 fiscal year, the expansion of RHRA's activities during the pandemic, combined with increased expectations of government, the public and the Auditor General have fundamentally changed RHRA's financial trajectory. The RHRA cancelled or deferred several strategic initiatives as well as suspended some elements of its basic operations to focus resources on COVID-19 response and revised its budget at the beginning of the 2020/2021 fiscal year. The RHRA finished the year with an operating deficit of \$1.9M which represents the difference between the fees it collects and the operating expenses for the year. Going into the year, the pre-pandemic budget included a planned operating deficit, although at a much lower level. While the RHRA did see recovery in its investments in the form of unrealized gains by the conclusion of the year, the net deficit was nonetheless \$1M, and the operational need for expanded resources to meet its basic mandate was evident.

For fiscal year, 2021/2022, the RHRA faces a significant challenge in terms of its revenue requirement. The RHRA will focus on recovery from the COVID-19 pandemic, including:

- resuming suspended operational activities with appropriate resourcing,
- restarting several of the deferred strategic initiatives, and
- addressing the recommendations of the Auditor General and RHRA's Risk Officer.

These additional factors driving financial strain arise at the same time the RHRA has engaged in a significant capital-intensive project to replace its end-of-life central IT system. This system is critical to the organization's ability to manage its day-to-day operations as its inaugural system has reached its end of life.

To create stability during this point of transition, in March 2021, the RHRA entered into a Transfer Payment Agreement (TPA) with the Government of Ontario. A portion of the TPA will enable the RHRA to dedicate resources to some of its deferred and recovery activities while concurrently addressing its fee requirements with the sector which can then be effective beginning in January 2022.

The RHRA has set a budget for the coming fiscal year that reflects expected changes to its fees that will include a one-time amount for infrastructure, and an adjustment to its annual fee rate which forms the largest source of revenue. The adjustments to revenue are significant, and the RHRA will continue to work with government and stakeholders in review of the fees in the first half of the fiscal year. The budget and forecasts included in this plan reflect the assumption that final fee decisions ensure that our revenue cover the cost of our current and future operations and addresses our operating deficits to restabilize the organization.

It is important to note that the planned near-term adjustments reflect the expected base needs of the RHRA. It is expected that additional revenue will be required in subsequent years, however the RHRA is committed to identifying alternative revenue sources beyond basic annual fees to fund material changes in resource requirements.

Revenue

The 2021 fee schedule was distributed in September 2020 and reflected a zero increase to the annual fees over the previous year's rates. Annual 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 uncertain in the current environment but was incorporated into financial projections. It is forecasted that in 2021/2022, the sector will have added approximately 3,354 suites by the end of the fiscal year, representing an increase of about 5.0%. The same optimistic growth pattern of 3,354 suites has been included into the revenue projections for 2022/2023. In the budget for 2021/2022 the RHRA has included an increase in the annual fee of \$17 per suite, per month and one time infrastructure upgrade fee. Also included is \$5.5M funding from the Province being sought to offset pandemic-related costs that the RHRA has incurred as well as funds earmarked for homes in financial crisis as a result of COVID-19.

Expenses

Compensation costs are the primary expense for the RHRA. The overall compensation costs for the organization reflect a substantial increase to enable the addition of new positions to increase RHRA's overall capacity as part of the recovery and maturation strategy. Operating expenses in 2021/2022 reflect the investment in deferred strategic priorities such as work required to modernize RHRA's IT system, data strategy, and sector research, as well as new priorities as a result of the pandemic recovery and the recommendations of the Auditor General and RHRA's Risk Officer. Projections for subsequent years reflect general inflationary increases.

The Emergency Fund balance is expected to close with a balance of \$582,000 in 2020/2021 which is in line with the RHRA's Emergency Fund Contribution Policy. As such, no allocation was included in the 2021/2022 budget. The Fund's status will continue to be monitored by the Board during the year.

RHRA is presenting below a three-year financial forecast approved by its Board of Directors in February 2021. Fluctuations are expected in any such forecast as assumptions and operating conditions change over time, particularly in the pandemic recovery period.

A summary of the forecasted statement of operations follows:

Statement of Operations

3 - year Forecast

	2021/22 Budget	2022/23 Projected	2023/24 Projected
	\$	\$	\$
Operating Revenue			
Annual fees	9,780,070	14,804,358	15,763,668
Application fees	484,250	484,250	484,250
Administrative Fees	25,000	25,000	25,000
Province of Ontario grant	5,500,000	-	-
Other Fees	1,987,025	-	-
Total Operating Revenue	17,776,345	15,313,608	16,272,918
Operating Expenses			
Salaries, Wages and Benefits	10,452,309	10,713,617	10,981,457
Operating	7,468,417	3,978,891	4,055,055
Amortization of capital assets	315,537	521,890	619,246
Total Operating Expenses	18,236,263	15,214,398	15,655,758
Operating Surplus/(Deficit)	(459,917)	99,209	617,159
Non-Operating Surplus/(Deficit)	225,600	188,672	3,745
Total Surplus/(Deficit)	(234,317)	287,881	620,905
Net assets (Debt), end of year	4,739,536	5,027,417	5,648,322
Reserves			
Unrestricted reserve /(Debt)	-	71,052	225,342
Operating reserve	4,153,017	4,366,174	4,829,044
Emergency Fund	586,518	590,190	593,936
Total Net Assets / (Debt)	4,739,536	5,027,417	5,648,322
Reserve balance in months of budget expenditures	2.7	3.5	3.9

Factored into this forecast are assumptions of continued regulatory activity increases consistent with sector growth and evolution, along with relevant expense increases reflecting general inflationary price increases. Revenue assumptions include a one-time contribution from government as part of the COVID-19 recovery as well as an increase in the fee rate for 2021/2022 to meet RHRA's revenue requirement and includes inflationary increases in the two subsequent years. Suite growth of 5% is included in annual fee revenue in years two and three of the forecast. Application revenue in years two and three of the forecast represents an estimate based on historical ownership activity.

ENVIRONMENTAL CONTEXT – Updated

To supplement the original business plan context, the RHRA remains engaged in support of the government's ongoing response to the pandemic. Although the peak of crisis response has abated, continued vigilance by both the RHRA and the homes it regulates remains. RHRA will continue to support the Province's initiatives for the retirement homes sector, and continues to require sufficient capacity to respond to the evolving pandemic situation. This includes, but is not limited to:

- Covid case-level daily information collection and publication
- Vaccination rate data collection and reconciliation
- Outbreak/Covid issues management with MSAA
- IPAC promotion and communications
- Pandemic-related policy development/modification (Policy to Retirement Homes on public health (PH) measures)
- Communications on behalf of, or in support of Ministry (e.g. third dose program)
- Crisis Funding Administration (current fiscal year only)

The Minister has initiated a review of the RHRA to further assess operational efficiency and future resource requirements. The RHRA welcomes this review as part of a process for reconciling the resource requirements required to fulfill its ongoing role as trusted advisor to government, to address the recommendations of the Auditor General, as well as the increased consumer demand for information as seniors and their families seek to inform their retirement living decisions and avail themselves of the protections offered by the oversight regime.

While the Minister's review is undertaken, the RHRA has undertaken to moderate its original plans outlined below. These moderations have not altered the direction or areas of activity, but rather reflect changes by adjusting the scope and/or timing of planned activities. This may affect implementation timeframes for recommendations in the Auditor General's report and the Risk Officer's reports, however all recommendations will be addressed on a prioritized basis with available resources.

Overview of Moderations to be made to Operating Plans:

The 2021-22 business plan was crafted with an associated budget. Based on the decision to moderate planned revenue, corresponding adjustments to the business plan will be made. Alterations are addressed below by area; only those initiatives with changes in scope or timing are included; all others from the original business plan will remain.

Strategic Pillar 1: Use Evidence-based Research & Analysis to Drive Regulatory Model and Policy Advice

- Updates to RHRA's risk model will be paced and focus on data collection with priority given to defining s. 108 data collection and on obtaining data on long-term care (LTC) waitlist and resident health profile information via Ontario Health (OH)/Ministry of Health (MoH) data as applicable.
- Obtaining Public Health data for pandemic support will continue however additional information (i.e. enforcement orders) will be delayed.

Strategic Pillar 2: Review & Adapt our Regulatory Approach to 'post' COVID Environment

- Select elements in addressing the normal operations, including citations for issues completed by inquiry; altering approach to extra expense insurance and any consequent legislative change recommendations; and updating processes for abrupt closures.
- Work on unlicensed homes will continue, however volume and timeframes may be adjusted.
- Select operational effectiveness improvements including citations history management; and standardization and/or quality assurance improvement processes will be deferred.
- Planned volumes for enhanced compliance monitoring and compliance support programs will be moderated.
- Select regulatory collaboration processes with some partners will be deferred or delayed, including regulatory modernization arrangements; integration with other agencies on formalized incident management processes.

Strategic Pillar 3: Build Trust with Public, Government, and Industry

- Enhanced education and awareness campaign will continue however will be adjusted to available budget. Additionally, direct resident communication plans will be adjusted or deferred until after the implementation of legislative change.
- Resumption of early phases of public report card work will be delayed, including assessing the manner of showing home-level complaints information on the public database and work to have items addressed by inquiry represented on the public database.

Strategic Pillar 4: Infrastructure & Capacity Transition

- With financial support from the Ministry the RHRA will continue with replacement of RHRA's case management system infrastructure.
- RHRA continues to address its capacity issues albeit at slower rate. The result of this will mean staff resources will not be available for all projects resulting in extended implementation timeframes. The focus for RHRA's resources will be in sustaining core operations, maintaining pandemic support, and followed by projects based on priority.

Adjustments to Budget and Financial Forecast:

RHRA has updated its financial plan resulting from the changes made to moderate its activity and to reflect updated information including anticipated funding from the Province. These updates are summarized below.

Revenues:

Revenues for 2021/2022 will be \$3.1M lower than the original budget. The largest contributors to this are

changes in the amount and timing of government funding, and lower fees collected from the sector after the consultation process in September 2021. The reduction in revenue reflects the variance between a proposed fee increase of \$17 per suite per month for annual fees which after consultation was adjusted to \$11 per suite per month. Government funding is enabling RHRA to continue its operations on a moderated basis while the operational review is completed in 2021-2022, however lower annual fees will have a detrimental effect on cash flow as RHRA's cash reserves will be depleted significantly and reconciliation will be required in 2022-2023.

Expenses:

Based on the revenue decrease, RHRA has moderated its activity and decreased its planned expenditures for 2021/2022. As a result, salaries and benefits have been reduced by \$1.5 million during the year by not filling some vacancies and putting new positions created to achieve the business plan objectives on hold. In addition, as outlined above some improvement projects including those based on the Auditor General's report have had scope adjusted and/or timelines extended.

Modernization of RHRA's IT system, a critical strategic priority, will continue and be completed in 2022/2023. Government financial support for this project and final project costs and timing have been updated and contributed approximately \$3M in reduced operating expenditures in this forecast.

Fluctuations are expected in any such forecast as assumptions and operating conditions change over time. Respecting the outcome of an operational review informing future plans, the forecast reflects the current and following year. A summary of the forecasted statement of operations follows:

	2020/21 Actual	2021/22 Forecast	2022/23 Projected
	\$	\$	\$
Operating Revenue			
Annual fees	7,941,144	8,425,730	9,487,645
Application fees	416,275	474,875	484,250
Administrative Fees	32,116	35,915	35,000
Government Funding	-	5,730,000	665,824
Total Operating Revenue	8,389,535	14,666,519	10,607,367
Operating Expenses			
Salaries, Wages and Benefits	7,499,235	8,997,850	9,739,813
Operating	2,584,272	2,968,308	2,816,293
Crisis Support payments to homes		1,000,000	-
Amortization of capital assets	244,810	290,537	448,866
Total Operating Expenses	10,328,316	13,256,694	13,004,972
Operating Surplus/(Deficit)	(1,938,781)	1,409,825	(2,397,605)
Non-Operating Surplus/(Deficit)	915,851	243,775	188,672
Total Surplus/(Deficit)	(1,022,930)	1,653,600	(2,208,933)
Net assets, end of year	5,784,569	7,438,169	5,229,236
Reserves			
Unrestricted reserve	-	407,956	-
Operating reserve	5,202,428	6,426,297	4,621,648
Emergency Fund	582,141	603,916	607,588
Total Net Assets	5,784,569	7,438,169	5,229,236
Operating Reserve balance in months of budget expenditures	6.0	6.3	4.3



55 York Street, Suite 700
 Toronto, ON
 M5J 1R7

Phone: 416-440-3570
 Toll-Free: 1-855-ASK-RHRA (1-855-275-7472)
 Email: info@rhra.ca
 Fax: 1-855-631-0170



