

# **SCHEDULE “F” – FEE SETTING PROCESS AND CRITERIA**

## **RETIREMENT HOMES REGULATORY AUTHORITY**

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### **Application**

This Schedule applies exclusively to fees, costs or other charges (fees) for regulatory business set in accordance with the Act by the Retirement Homes Regulatory Authority (RHRA). This Schedule does not apply to administrative monetary penalties as defined under the Act or incidental administrative fees such as non-sufficient funds charges.

### **Principles**

Fees should be designed to ensure that RHRA considers the following principles:

- The RHRA recovers all costs related to its regulatory mandate including, without limitation, those associated with the administration and enforcement of the Act and its regulations, program development and delivery, and oversight of the safety and protection of residents;
- The fee setting process is transparent;
- The fee schedule will be simple and clear, and accessible to operators and residents of retirement homes; and
- The fees are reasonable and enable appropriate oversight relative to the needs of residents and diversity among licensed operators.

### **Objectives**

In setting fees, the RHRA has the following objectives:

- To comply with section 21 of the Act to set and collect fees relating to the administration of the Act and its regulations;
- To ensure the development of fees that are consistent with the RHRA’s operating principles and obligations under the Act and the MOU including the obligation to ensure that the RHRA has adequate resources to implement activities in support of its objects as set out in section 16 of the Act;
- To achieve full recovery of all delivery and oversight costs, consistent with the ongoing viability of the RHRA as a not-for-profit corporation and at the same time provide service delivery value for stakeholders;
- To ensure that in setting fees, the RHRA considers incentives to encourage compliance with the Act and disincentives to discourage non-compliance;

- To ensure that the Board considers the impact of a new fee or a fee change on licensees and residents; and
- To ensure that, in the case of a new fee or a fee change greater than the cost of inflation, stakeholders have the opportunity to provide input into the fee setting process.

## **PROCESS**

The RHRA will review fees annually or more frequently as determined by the Board, considering the criteria below and identifying changes in operational and environmental factors, or other pertinent information.

No new fee, or fee change, shall come into effect unless it has been approved by the Board and the relevant steps outlined in this Schedule have been completed. The Minister may waive the process, steps in the process, or the required notice timeframes if the Board provides evidence satisfactory to the Minister that the requirement to undertake any or all of these steps would result in the RHRA not having the resources needed to comply with the MOU and the Act.

### **Process for fee change reduction**

Where the Board has approved a fee change that would temporarily or permanently reduce the amount of, or eliminate, a fee, the RHRA shall provide the Minister with at least 30 days advance written notice of the proposed fee change, following which at least 90 days written notice shall be provided to industry stakeholders. In this circumstance, the Fee Review Analysis, including the Consultation and Notice and Criteria requirements described below, is not required. However, in the notice to the Minister, the RHRA must provide an effective date for the reduced or eliminated fee, the timeframe over which the change would be in effect, and a summary of the RHRA's forecasted revenue and expenditures during this effective period to ensure that the reduced revenue does not adversely impact its operations and financial sustainability.

### **Process for fee changes no greater than the cost of inflation**

Where the Board has approved a fee increase that is no greater than the cost of inflation, the RHRA shall provide the Minister with at least 30 days advance written notice of the proposed fee change, following which at least 90 days written notice shall be provided to licensees and sector stakeholder groups. In this circumstance, the Fee Review Analysis, including the Consultation and Notice and Criteria requirements described below, is not required.

### **Process for new fees or fee changes greater than the cost of inflation**

Every proposal to establish a new fee or a fee increase greater than the cost of inflation shall be subject to a Fee Review Analysis and consultation conducted by the RHRA in accordance with the Fee Review Analysis, Consultation and Notice, and Criteria sections set out below.

### **Fee Review Analysis**

The RHRA shall prepare a Fee Review Analysis that shall be in the form of a business case consisting of a written analysis for the new fee or fee increase greater than the cost of inflation that shall include:

- a scan of trends that may be occurring in the retirement home sector or otherwise that could impact the sector and RHRA;
- estimated costs for each new, existing or expanded program or activity as outlined in the RHRA's business plan;
- estimated costs associated with implementing new or amended legislation or external recommendations;
- a rationale based on the RHRA's historical, actual and projected revenues and expenses as well as impact on operational activities and level of activities;
- a summary of stakeholder comments solicited in accordance with the Consultation and Notice process set out below; and
- a statement of compliance with the Criteria set out below.

The RHRA shall provide the Minister with advance written notice of the new fee or fee change proposal and await the earlier of receiving written acknowledgment from the Minister to proceed, or 45 days, before soliciting comments from licensees and sector stakeholder groups, or the fee proposal otherwise becoming public. The Fee Review Analysis (not including the summary of stakeholder comments) shall be submitted to the Minister at this time.

### **Consultation and Notice**

The RHRA shall solicit comments from licensees and sector stakeholders on the proposed new fee or fee change greater than inflation for a period of at least 30 days, in advance of the written notice described below. The RHRA shall also solicit comments on the proposed new fee or fee change greater than inflation from its advisory committee (the RHRA Stakeholder Advisory Council) and give due consideration to its advice. A summary of the comments and the advice, once received, shall be forwarded to the Minister for information, and shall complete the Fee Review Analysis. Once the consultation has been completed, the Board of Directors will review and may approve any fee change. The RHRA shall also provide the Minister with a copy of the draft notice

informing licensees and sector stakeholders that a new fee or fee change greater than inflation will take effect at this time.

Concurrent written notice shall be given to the Minister and licensees and sector stakeholders at least 90 days prior to the new fee or fee change greater than the cost of inflation taking effect. The RHRA will endeavor to complete and post the result of its fee review process by September 30th of each year for fees that would apply for the following calendar year.

## **Criteria**

In developing a proposed new fee or fee change greater than the cost of inflation, the Board shall give appropriate consideration to the RHRA's financial commitments, its business plan and to the potential impact of the fee or fee change on licensees and residents. In addition, the following criteria shall be considered and addressed:

- Fees shall be set on a cost recovery basis and designed to cover all of the RHRA's costs associated with the administration of the Act including those which cannot be directly attributable to the payees, including complaint handling, inspection, investigation, prosecution, public awareness campaigns, website development and maintenance, governance programs, government oversight and reporting, and general administration.
- The RHRA may set different types of fees (e.g. fixed, variable, direct cost recovery), including, but not limited to, licensing classes, if any, and combine different types of fees.
- The relative fees charged for different oversight activities and licensing shall reflect:
  - the comparative costs to the RHRA for processing applications or providing oversight activities; and
  - uniformity of application regardless of geographic location.
- The provincial economic environment, demographic outlook, rate of inflation, affordability, and any extraordinary circumstances and other factors that may impact sector viability/stability and equitable application of fees in a diverse sector that reflects appropriate oversight relative to the needs of residents.
- All fees shall be payable when an application is made or when an oversight activity is requested or provided. Any refunds or fee waivers must be within a written policy as defined by the RHRA. Notwithstanding the above, no refund shall be issued for licence applications once the application and fee have been received or an oversight activity has been provided.
- Late fees are not subject to the Fee Setting Process and Criteria outlined in this Schedule. Where applicable, standard business practices shall be followed (e.g.,

interest charged on overdue accounts, etc.).

- In establishing or revising a fee, appropriate consideration shall be given to deterring breaches of the Act.

**Retirement Homes Regulatory  
Authority**



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Chair of the Board

Date: March 31, 2022

**Her Majesty the Queen in right of  
Ontario**



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Minister for Seniors and Accessibility

Date: March 31, 2022

