

College of Audiologists and
Speech-Language Pathologists of Ontario
Ordre des audiologistes et
des orthophonistes de l'Ontario

CASLPO

Response to Member Emails re: Proposed Fee Increases

May 8, 2017

Dear concerned CASLPO member,

Thank you for taking the time to provide your views on the proposed changes to the College's fee structure. We want to assure you that your feedback will be brought forth to the entire Council for consideration at their meeting on June 9th, 2017. We also want to encourage you, if you have not done so already, to complete the official formal survey sent to the membership. This tool provides the College with the ability to efficiently collate and analyze the data provided by members.

We note that your "comments and data" were assembled by "contributing members" who believe that the College is not currently spending funds in a judicious way. The information provided below respectfully addresses this concern. In providing this comprehensive response, the College hopes to meet one of its strategic goals: to improve transparency in order to build trust with the public and members.

1. "Since 2010, 46% increase in fees, approximately 40% increase in staff but only 15% increase in membership"

General member fees of \$500 remained the same from 2002 to 2011. For the 2011-12 membership year, the general fee increased by 20% to \$600. Using 2010 as your starting point for measurement inaccurately captures the historical relationship between fees and the membership because it disregards the fact that fees remained the same for 9 years (from 2002 to 2010).

If you compare the increase in fees from 2002 to 2016 (\$500 to \$728) to the increase in membership for the same time period (2,678 to 4,003) you will see there is a correlation. **Between 2002 and 2016, fees increased by 46% while the number of members increased by 49%.** It should be noted that the College's rate of increase in fees is in fact lower than the rate of member population growth.

The number of College staff members has increased over time to meet the demands of regulating **two** professions in the public interest. In 2002, the College employed 7 full-time equivalent staff members. Currently, the College employs 12 full-time staff members. Five staff members were added between 2008 and 2016 to address the following organizational needs:

- Director of Professional Practice and Quality Assurance was hired in 2011 to provide appropriate focussed support to the members on an ongoing basis and to strengthen and improve the Self-Assessment Tool, Peer Assessment, and Member Practice Advice, particularly for SLPs.



- Director of Professional Conduct was hired in 2012 to oversee the transition to the new legislated framework for complaints and discipline, to address the backlog of cases in this area and to provide appropriate ongoing support to the newly created Inquiries, Complaints and Reports Committee.
- Manager of Information Technology was hired in 2013 to bring in-house all of our information technology services and needs. This eliminated the need for external consulting, trouble-shooting and maintenance costs in this area, and so as to provide better protection and organization of membership data and registration, complaint and quality assurance files and cases.
- Audiology Practice Advisor was hired in 2013 to provide dedicated practice advice services to Audiology members and to modernize and update Audiology practice standards on an ongoing basis.
- Assistant to the Director of Professional Conduct was hired in 2015 to assist with the increasing workload pressures in the investigations area and to assist the College in processing investigations in a timely manner. This role also provided dedicated support to Discipline panels. Additionally, all case decision-writing has now been brought in-house eliminating the need for external decision writers.

We believe that this staff complement now adequately supports the work of the College in addressing the public interest and supporting the membership.

2. “3% increase in membership from 2014 to 2015 yet a 17% increase in expenses including a 12.8% increase in salaries and benefits”

The main driver of the 17% increase in expenses between 2014 and 2015 was expenses relating to investigations and hearings.

During 2015, the College spent over \$125,000 for two discipline cases. These costs related to:

- Prosecution Counsel (legal representation for the College)
- Independent Legal Advisor (legal representation for the Discipline Committee)
- Public Hearing costs
- Discipline panel costs

In one case, the hearing spanned five days and the member was ordered to pay the College \$97,595 in costs. To date, the College has not received any funds as the member appealed the decision to the Ontario Divisional Court. In the second case, the discipline hearing was re-scheduled several times and then deferred to 2016.

For accounting purposes, the College is required to accrue all future costs for any known liabilities at their fiscal year end. In other words, all estimated future costs associated with bringing all current cases to closure must be recognized and expensed at the end of the current fiscal year end. To meet this requirement, the College accrued costs of almost \$125,000 more than what was accrued in



2014 to recognize the future liability of the appeal to the Ontario Divisional Court, the discipline hearing that was deferred to 2016 and other complaints/reports in progress at the fiscal year end.

Due to the increased number of complaints and reports from 2014 to 2015, costs for investigations and expert reports increased by \$20,000. In 2014, the College received 11 complaints, 5 reports and 1 inquiry. In 2015, the College received 31 complaints and 9 reports.

The 12.8% increase in salaries and benefits from 2014 to 2015 resulted from the addition of the Assistant to the Director of Professional Conduct to address the increase in complaints and investigations, as well as the costs associated with staff turnover/severance.

3. ***“Expenses far exceeding comparable profession – physiotherapy***
- a) ***Investigation and hearings - highest per case cost of managing complaints/reports of all the colleges in the province, yet it had one of the lowest number of complaints of all the regulated health professions***
- ***Comparison – 53 times greater cost per complaint than the College of Physiotherapists of Ontario (CPO)***
 - ***CASLPO \$47,525/case; 9 complaints/reports and 2 of those went to hearings and zero went to court***
 - ***CPO \$899/case; 233 complaints/reports and 3 went to hearings and 1 went to court”***

The information provided in the CASLPO Annual Report, from which your data appears to be derived, is of a summary nature and does not provide sufficient details to perform a cost per case analysis. For the 2016 Annual Report, CASLPO will look at providing more details to enhance transparency.

To provide some context, there is a large range of costs per case based on the complexity and the nature of the case. A simple straight forward case may cost the College up to \$600, while a complex case (where an investigator report and expert opinion are required) may cost the College \$8,500 on average. If the member is referred to discipline, the costs will vary based on the number of hearing days. If the hearing is uncontested, the matter can be completed in a day and cost the College \$1,000 - \$2,000. If the member contests the allegations, the hearing could run for many days and cost the College approximately \$8,000-\$10,000 per day.

It is important to note that the College has an obligation in meeting its public protection mandate to hold a hearing when there are serious concerns of professional misconduct/incompetence. In the same vein, any member referred to discipline has the right to respond to the allegations in a full hearing. These are legal obligations and rights that the College does not have the authority to ignore or avoid, and the College must follow the statutory procedures as required.



In all cases, College committees and staff have processes in place to mitigate the risk of incurring unnecessary or excessive costs. These mitigation processes include:

- Investigators are not appointed to every case. The Inquiries, Complaints and Reports Committee evaluates whether an investigation is warranted on a case by case basis.
- Experienced investigators are used to reduce costs.
- The Director of Professional Conduct reviews the investigation plan and constantly monitors investigation costs.
- All disbursements outside of the investigation plan need to be approved by the College before they are incurred.
- Prior to referring any cases to Discipline, the Inquiries, Complaints and Reports Committee determines:
 1. Are the concerns of such a serious nature that a referral to the Discipline Committee is justified? *If yes, then:*
 2. Is there sufficient evidence available to prove the allegations?
- The Committee can request a legal opinion when a case is unclear to avoid referring a matter that does not meet this threshold and to ultimately save the cost of a hearing.
- Prior to a discipline hearing taking place, the College holds a pre-hearing conference in an attempt to resolve the allegations. The hope is to achieve an Agreed Statement of Facts (ASF) and Joint Submission on Penalty (JSP) which best meets the interest of protecting the public. If an ASF and JSP can be reached, then a hearing can go from spanning days to involving just a few hours.

To address your feedback, the following details provide the data necessary to perform a straight cost per case analysis.

CASLPO

“Investigations and Hearings” per the financial statements is broken down as follows:

Investigations and Hearings

Legal costs – current year	\$114,501
Legal costs – accrual for future years	251,000
Investigations	<u>62,214</u>
Investigations and Hearings per Financial Statements	<u>\$427,715</u>

The actual amount spent towards “Investigations and Hearings” in 2015 is \$176,715 (\$114,501+62,214) of which \$55,231 was spent on discipline hearings.

The Annual Report discloses that there were 9 dispositions, 4 matters that were appealed to the Health Professions Appeal and Review Board (HPARB) (only 2 matters proceeded to HPARB in 2015), and 2 discipline hearings (1 of which was scheduled in 2015 but then deferred to 2016). Apart from dispositions, CASLPO carried forward 2 complaints, 4 reports and 1 inquiry from 2014, received 31



new complaints and 9 new reports in 2015 which were at various stages of process at the fiscal year end.

Therefore, the total number of cases that CASLPO incurred expenses for during 2015 were:

HPARB appeals	2
Discipline hearing (contested)	1
Complaints (2014)	2
Reports (2014)	6
Complaints (2015)	31
Reports (2015)	<u>9</u>
Total Cases	51

The 2015 Cost per Contested Discipline case was \$55,231 ($\$55,231/1$).

The 2015 Cost per Case for Complaints and Investigation of Reports was \$2,430 ($(\$176,715-\$55,231)/(51-1)$).

Comparison with College of Physiotherapists of Ontario (CPO)

CPO doesn't segregate the costs of investigations and hearings on their financial statements. However, CASLPO obtained the following financial data from CPO:

Investigations and Hearings

Legal – professional conduct	\$122,904
Investigations	38,999
Investigators*	360,000
Other Hearing expenses	<u>994</u>
Total Investigations and Hearings	<u>\$522,897</u>

*Exact financial data regarding salaries cannot be disclosed. Conservatively, the midpoint of the salary range for the Investigator position at CPO was used for this analysis.

Of the \$122,904, \$35,446 was spent on a divisional court appeal, \$47,170 was spent on discipline hearings.

The number of cases that CPO incurred expenses for during 2015 are:

Confirmed complaints	46
Registrar's inquiries	170
HPARB appeals	1
Discipline hearings (uncontested)	3
Divisional court review	<u>1</u>
Total Cases	221



The 2015 Cost per Uncontested Discipline Case was \$15,723 (\$47,170/3)

The 2015 Cost per Divisional Court Review was \$35,446 (\$35,446/1)

The 2015 Cost per Case for Complaints and Investigation of Reports was \$2,029 (((\$522,897 - \$47,170-\$35,446)/(221-3-1))

Summary

CALPO's cost per case for Discipline was higher than CPO in 2015 due to the fact that CASLPO's hearing was a *contested case* which took place over 6 days (5 hearing days + 1 day for release of decision) versus CPO's 3 hearings for *uncontested cases* which took place over 3 days. If you compare the cost per day for Discipline, CASLPO spent \$9,205 per day (\$55,231/6) and CPO spent \$15,723 per day (\$47,170/3). **In 2015, CASLPO actually spent \$6,518 (\$15,723-\$9,205) less per day towards Discipline.**

CASLPO's cost per case for Complaints and Investigations was \$401 (\$2,430-\$2,029) higher than CPO in 2015. This variance can be attributed to the fact that CASLPO received a large number of complex complaints and reports in 2015 which required investigators, expert reports and legal opinions.

b) "Occupancy and office administration - Comparison - based on number of staff, 47% greater than CPO"

Although all Health Regulatory Colleges are required to have their financial statements audited, there is no requirement to classify their expenses in the same way. Therefore, it is difficult to make direct comparisons across the financial statements of all Colleges. The recommendation you make: *"Stakeholders should be able to readily make cross college comparisons of registration practices, membership, operations costs, quality assurance practices, practice standards and complaints, reports, investigations and hearings"* does have merit and will be pursued by the College to increase transparency.

In order to compare CASLPO and CPO occupancy and office administration expenses, the financial statement line items must be examined to ensure all related expense categories are included.

For example, expenses related to "Networking, representation and travel" on CPO's financial statements are included in "Office and general" on CASLPO's financial statements.

By comparison:

Per 2015 Audited Financial Statements	CASLPO Fiscal year end September 30, 2015	CPO Fiscal year end March 31, 2015
Premises	\$190,891	
Office and general	254,693	
Administration and office		\$605,079
Networking, representation and travel		61,708



Total Occupancy office and administration	445,584	666,787
Number of staff	11.5	26
Office administration cost per staff	\$38,746	\$25,646
\$ Difference		(\$13,101)
% Difference		(34%)
Number of members	3,900	8,135
Cost per member	\$114	\$82
\$ Difference		(\$32)
% Difference		(28%)

Although all Colleges are required to carry out the same objects and duties according to the *Regulated Health Professions Act*, larger Colleges have the opportunity to achieve greater economies of scale with greater purchasing power leading to a 34% difference in cost per staff and 28% difference in cost per member.

Although CASLPO is small, it is constantly looking for ways to contain administrative costs or achieve efficiencies. Over the last 3 years we've achieved the following:

- 41% (\$9,200) reduction in telephone and teleconference expenses by switching to an IP phone system, renegotiating existing contracts and moving to a new teleconference service provider
- 64% (\$4,500) reduction in internet costs by moving to a new service provider
- Elimination of data entry costs as members complete their renewal online
- Reduced the cost of manual processing of credit cards or cheques through increased use of online credit card payments, including an \$8,500 reduction in credit card fees through contract renegotiation
- A \$64,000 in-year reduction in costs for 2016-17 due to an unexpected decrease in fees revenues
- A change in health insurance providers to reduce benefit costs
- Mailing and printing costs reduced significantly through electronic distribution of meeting materials and College newsletters and membership communications
- Holding many College council Committee meetings electronically rather than in person.
- Negotiation of an improved hotel accommodation discount for Council members and peer assessors
- Establishment of a new staff salary compensation grid, which is closely aligned with salary levels of other Colleges of comparable size and budget, including annual salary restraint measures.



c) “Salaries and benefits - Comparison - per staff, 15% higher salary than CPO”

In order for all Health Regulatory Colleges to protect the public as required by the *Regulated Health Professions Act*, there needs to be staff to direct or manage Registration, Professional Conduct, Quality Assurance and Patient Relations. These areas are led by the Registrar who is the Chief Executive Officer of the College. To provide support to the mandated activities of the College, staff are also employed by the Registrar to direct or manage Finance, Information Technology, Communications, Reception, Member Practice Advice and French-language services.

As the population of members grows and the Regulatory framework changes, a need for more administrative staff to support core activities arises. These staff members are compensated at a lower rate than senior-level personnel.

Comparing the staff complement:

Number of staff members by level	CASLPO	CPO
Registrar	1	1
Deputy/Associate Registrar	1	2
Director/Manager	5	4
Administrator/Assistant/Advisor/Coordinator/Analyst	4.5	19

Comparing costs:

Per 2015 Audited Financial Statements	CASLPO Fiscal year end September 30, 2015	CPO Fiscal year end March 31, 2015
Salaries and benefits	\$1,336,314	\$2,595,771
Number of staff	11.5	26
Cost per staff	\$116,201	\$99,837
\$ Difference		(\$16,364)
% Difference		(14%)
Number of members	3,900	8,135

Therefore, the average cost per staff for CPO is 14% lower than CASLPO due to the fact that CPO employs a larger number of support staff, who as is the case at both Colleges, are paid at a lower rate of compensation. In contrast to CPO, many Directors at CASLPO have no dedicated administrative assistance.

d) “Overall operating cost – Comparison – per member, 25% greater than CPO”

Each College’s operating expenses will vary year over year by such factors as:

- The population of the membership
- The number of domestic and internationally-educated applications received (number of IEAs has doubled over last two years).



- The number of peer and/or practice assessments performed for quality assurance (number has increased from 35 to 50)
- The number of practice advice calls and emails received
- The tools provided to members to maintain their professional standards (i.e practice standards and guidelines, learning modules, webinars and in-person events), and
- The number of complaints, reports and discipline matters

The largest costs that vary year to year and have the biggest impact on the bottom line are the costs associated with complaints, investigations and discipline.

To illustrate how these costs can vary, year over year, the following is a comparison of total expenses for 2015 and 2014 of CASLPO, CPO, the College of Chiropractors of Ontario (CCO) and College of Dietitians of Ontario (CDO). CCO and CDO were added as comparators because they are closer in member size to CASLPO.

Per 2015 Audited Financial Statements	CASLPO Fiscal year end September 30, 2015	CPO Fiscal year end March 31, 2015	CCO Fiscal year end December 31, 2015	CDO Fiscal year end March 31, 2015
Total expenses	\$2,628,522	\$4,568,797	\$4,314,655	\$2,191,308
Number of members	3,900	8,135	4,254	3,695
Cost per member	\$673.98	\$561.62	\$1,014.26	\$593.05
\$ Difference		(\$112.36)	\$340.28	(\$80.93)
% Difference		(17%)	50%	(12%)
# of confirmed complaints received	31	46	53	2
# of Registrar reports (investigations)	9	170	38	2
Number of discipline hearings	1	3	11	0
# of hearing days	4	3	11	0

Per 2014 Audited Financial Statements	CASLPO Fiscal year end September 30, 2014	CPO Fiscal year end March 31, 2014	CCO Fiscal year end December 31, 2014	CDO Fiscal year end March 31, 2014
Total expenses	\$2,246,492	\$4,657,930	\$4,202,044	\$2,093,662
Number of members	3,793	7,792	4,161	3,589
Cost per member	\$592.27	\$597.78	\$1,009.86	\$583.36
\$ Difference		\$5.51	417.59	(\$8.92)
% Difference		1%	71%	(2%)
# of confirmed complaints	11	52	57	2



received				
# of Registrar reports (investigations)	6	298	39	3
Number of discipline hearings	0	1	13	0
# of hearing days	0	4	18	0

In 2015, CASLPO’s cost per member was \$112 higher than CPO. However, in 2014, CASLPO’s cost per member was \$6 lower than CPO. CASLPO had less complaints, reports and discipline hearings in 2014 which brought the cost per member down below CPO.

Although CCO is close in membership size, their cost per member far exceeds CASLPO in 2014 and 2015 due to the large number of complaints, reports and discipline hearings they handled.

CASLPO’s cost per member was \$81 higher than CDO in 2015 and \$9 higher than CDO in 2014. The larger cost per member is supported by the fact that CASLPO had more than triple the amount of complaints and reports in 2014 and more than 10 times the amount of complaints and reports in 2015.

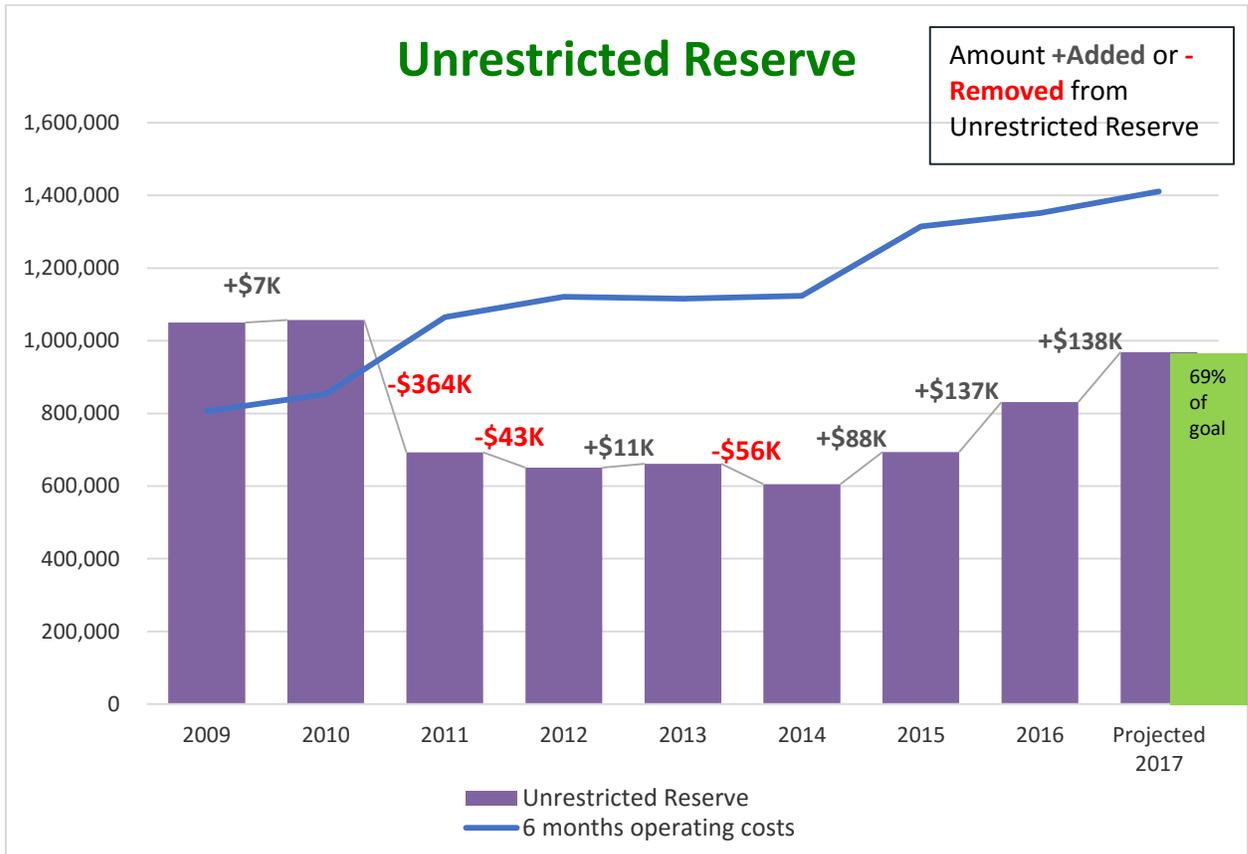
Therefore, single year cost comparisons between Colleges are very problematic due to the annual fluctuations in complaint and discipline costs.

4. “With sizeable increases in fees since 2010, the College has not been able to demonstrate much in the way of a cash reserve”

CASLPO has internally **restricted** reserve funds of \$650,000 segregated by Investigations and Hearings (\$300,000), Quality Assurance (\$200,000), and Patient Relations and Public Awareness (\$150,000). By placing internal restrictions on these funds, the College Council has mitigated the risk of the College not having the funds available to perform these legislatively mandated activities.

CASLPO also has a reserve of **unrestricted** funds which would be used in the event of emergencies or unexpected challenges. The College Council has set a goal to maintain an unrestricted reserve sufficient to cover 6 months of the College’s operating costs. This level of unrestricted reserve is consistent with the thresholds set by the Canada Revenue Agency. It is also recommended by our auditors. This is a practice followed by most other Colleges.

The following graph illustrates the amount of the unrestricted reserve from 2009 through 2017 with respect to the goal of maintaining an amount equal to 6 months operating costs.



The unrestricted reserve is projected to be at 69% of the goal of \$1.4M by the end of the 2017 fiscal year end. The College Council continuously monitors the level of reserves with respect to financial and operational risks and makes determinations on expense allocations and fee increases based on the financial data. The current proposal for fee increases is intended to progressively bring the unrestricted reserve amount to its goal and reduce the likelihood of fee increases in the future.

5. “In 2016, the College took it upon itself to undertake a substantial multimedia public education campaign on the benefits of regulation rather than partnering with other College through the Federation of Health Regulatory College of Ontario”

Like the majority of Colleges in Ontario, CASLPO has increased its public awareness activities in recent years. This was driven in part by the government’s directions with respect to providing greater transparency and public awareness. These initiatives are part of the College’s 3-Year Strategic Plan. This is the first major campaign undertaken by the College since 2002. Your assertion that CASLPO has not partnered with other Colleges through the Federation of Health Regulatory Colleges of Ontario (FHRCO) in terms of public awareness is simply not factual. In fact, we are very much involved in FHRCO’s current and planned activities in this area.



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You end your communication by appealing to the elected and appointed professional members of the College Council to “act on behalf” of the members of the College. In fact, all members of Council, whether elected by members (9), nominated by universities (2), or lay individuals appointed by the provincial government (7), are enjoined to act on behalf of the public. The proposed fee adjustments are to ensure that the College can continue to fulfill its role to provide regulation of the two professions “in the public interest” as described by the Regulated Health Professions Act.

Thank you again for taking the time to submit your views.

Yours sincerely,

Deb Zelisko, President, CASLPO

Brian O’Riordan, Registrar, CASLPO