



## Key Indicator Systems for Licensing

### What are Licensing Indicator Systems?

A Licensing Indicator System is a shortened version of a more comprehensive licensing inspection instrument designed to measure compliance with a smaller number of rules, while predicting high compliance with all the rules. This system integrates statistical information – such as economic, social and environmental factors – to be able to provide reliable information on an organization’s level of compliance. Indicator systems generally lead to cost efficiencies and overall effectiveness. Rather than having a paradigm of one size fits all, state agencies use an indicator system to reward high-compliance programs with abbreviated monitoring visits, and target facilities with a history of non-compliance with more frequent visits and comprehensive technical assistance.

### How Do Licensing Indicators Systems Work?

**Differential Monitoring** is a method used to determine the frequency of inspections needed and the scope that will be required at a given licensed setting based on the setting’s licensing history. This is determined using Key Indicator Systems, Risk Assessment and Quality Indicator Systems.

**Key Indicator Systems** identify a subset of regulations from an existing set of regulations that statistically predict compliance with the entire set of regulation

**Risk Assessment** assigns weighted scores to regulations based on the level of risk to persons in care in the event of regulatory compliance.

**Quality Indicator Systems** identify a subset of an existing set of regulations and other non-regulatory factors to predict the overall quality of care provided by a licensed setting



## Who Benefits?

In addition to helping inform choices regarding the allocation of public resources and assess whether programs are working, licensing indicator systems benefit:

- *Regulatory agencies:* Can spend more time providing technical assistance and/or monitoring and providing assistance to low-compliance facilities
- *Providers:* Are rewarded for high compliance with shortened inspections and time for technical assistance
- *Public:* Can rest-assured that strong licensing continues, even if resources are reduced
- *Advocacy community:* Gain confidence that every person in care is protected

## Why Choose NARA?

Professionals at the National Association for Regulatory Administration (NARA) have been developing and refining targeted measurement tools for more than 30 years.

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NARA has assisted dozens of states and provinces in creating program-specific research, training and customized technical assistance for child care and residential care settings, older adult care settings and settings for persons with intellectual disabilities.

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NARA's consultants have the expertise to provide agencies with resources to implement key indicator systems. They work with states to analyze licensing compliance data, update and develop policies and procedures, and train staff to implement Key Indicator protocols.

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NARA's methods are time-tested and proven to maximize agency performance without sacrificing the health and safety of persons in care.

## About NARA

The National Association for Regulatory Administration (NARA) is an international professional membership association founded in 1976 dedicated to the protection of the health, safety and well-being of children and adults in day or residential human care facilities through strong licensing and other forms of regulation.

## National Impact

NARA's Key Indicators and Risk Assessment methodologies have had a national impact. For example:

- *Stepping Stones to Caring for Our Children* used the Risk Assessment methodology in its development.
- *Caring for Our Children Basics* used Risk Assessment and Key Indicators along with other sources in its development.
- *The National Early Childhood Program Accreditation (NECPA)* system research base is drawn from the Risk Assessment and Key Indicator methodologies.
- *Head Start Key Indicator (HSKI-C)* was developed using the Key Indicator methodology.

### NARA

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### Licensing Indicator Systems

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