

# Key Indicator Systems

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## Maximizing Performance ... Minimizing Costs

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 fewer monitoring visits, and target facilities with a history of non-compliance with more comprehensive and additional visits.

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## Licensing Indicator Systems

The purpose of a licensing indicator system is to increase the efficiency and effectiveness of an existing licensing system by refocusing the emphasis of the licensing process. It is intended to complement, and not replace, an existing licensing measurement system.

Through use of the licensing indicator system, less time is spent conducting annual inspections of facilities with a history of high compliance with licensing rules. This allows more time for focusing on a) providing technical assistance to help low-compliance facilities comply with licensing rules, and b) conducting additional inspections of facilities and agencies with low compliance with licensing rules.

The licensing indicator system is actually a shortened version of a comprehensive licensing inspection instrument. A small number of rules are selected based on a statistical methodology designed for this specific purpose. The licensing indicator system uses a measurement tool, designed to measure compliance with a smaller number of rules, but that predicts high compliance with all the rules. If a facility is in complete compliance with all of the rules measured in the licensing indicator system, high compliance with all the rules is statistically predicted.

It is critical to understand that the rules for the licensing indicator system are research-based, selected statistically and not based on value judgment or arbitrary assignment, risk assessment or frequent rule violations. Moreover, the system has been used for over 30 years, successfully implemented in several states and applied to different human-care licensing programs—in short, it is time-tested and demonstrated to be an effective tool in consumer protection.

## Why should you choose NARA to develop your licensing indicator system?

- Professionals at the National Association for Regulatory Administration have been developing and refining targeted measurement tools for over 30 years.
- 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.
- NARA's methods are time-tested and proven to maximize agency performance without sacrificing the health and safety of persons in care.

## Who benefits from licensing indicator systems?

- State and federal governments are able to contain program costs without harming vulnerable populations.
- Licensing agencies can allocate limited resources to the most troubled or problematic licensees.
- Providers are rewarded for high compliance by abbreviated inspections.
- The advocacy community is assured that every person in care is protected without compromising licensing enforcement actions or technical assistance.