CIVIL MONEY PENALTY REINVESTMENT PROGAM
FREQUENTLY ASKED QUESTIONS (FAQS)

FAQs

◆ **APPLICATION**

◆ **STATE PLAN**

◆ **PROJECT TRACKING**

APPLICATIONS

Program Overview

What is the Civil Money Penalty Reinvestment Program (CMPRP)?
The program transforms monetary penalties imposed on non-compliant nursing homes into meaningful quality improvement initiatives. When nursing homes fail to meet Medicare or Medicaid participation requirements, a portion of the collected Civil Money Penalties (CMPs) is returned to the states and must be reinvested in activities that directly benefit nursing home residents, with a specific focus on enhancing quality of care or quality of life, as outlined in 42 CFR § 488.433.

Who is eligible to apply for CMP funds?
Eligible applicants for CMP funds include Centers for Medicare and Medicaid Services (CMS)-certified long-term care facilities (skilled nursing facilities and nursing facilities), consumer advocacy organizations, resident and family councils, academic institutions, state agencies, vendors, and professional associations. To qualify, applicants must demonstrate that they are not receiving state or federal funding for the same purpose, have no conflicts of interest, and possess the organizational capacity to implement the proposed project successfully.

It is important to note that CMP funds may not be used to replace existing funding sources or to fulfill statutory obligations that facilities are already required to meet under federal or state law.

How can a stakeholder apply for CMP funds?
Stakeholders interested in applying for CMP funds must submit their project proposals through their respective State Agency, as each state administers its own application process with specific timelines and requirements. Prospective applicants should begin by reviewing the *Application Handbook* available on the CMS CMPRP website for national guidelines. Refer to the "State Agency CMPRP Contacts" section in the handbook for contact information on the designated representative, who can provide detailed information on submission procedures and deadlines.

Project Development and Resources

Where can I find examples and ideas for CMP-funded projects?
The CMS CMPRP website provides valuable resources to support project development, including CMP-funded projects organized by state and calendar year, which offer examples of previously approved projects. These examples help prospective applicants understand the scope, structure, and resident-centered benefits of successful initiatives.

Additionally, reaching out to your designated State Agency CMPRP representative can provide further guidance on potential project models that are most appropriate for your location, facility type, and resident population.

What are allowable uses of CMP funds?

CMP funds may be used for a variety of projects and activities that directly improve the quality of care or quality of life for nursing home residents. Allowable uses include, but are not limited to:

- Providing assistance to support and protect residents of facilities that close or are decertified.
- Developing innovative mental and behavioral health projects supporting the unique needs of nursing home residents.
- Supporting residents and family councils, as well as other consumer involvement initiatives that help ensure quality care.
- Implementing facility improvement initiatives such as joint training programs for facility staff and surveyors, or offering technical assistance for quality assurance and performance improvement programs.
- Developing innovative resident engagement programs, staff training, workforce enhancements, or acquiring tools and technologies that enhance care delivery.

All CMP-funded projects must demonstrate a clear and direct benefit to nursing home residents and must not duplicate services already funded through Medicare, Medicaid, or other existing funding sources.

Additional details on allowable uses of CMP funds can be found in the "Project Categories: Allowable Uses of CMP Funds" of the *Application Handbook*.

What Expenses Are Non-Allowable?

CMP funds may not be used for expenses that do not directly benefit nursing home residents, are already required by the federal regulation, or fall under routine facility operations. Specifically prohibited uses include (not inclusive), facility upkeep and maintenance, nursing home staff salaries, mandatory training requirements, gifts or incentives for staff or residents, and services already funded through Medicare, Medicaid, or other federal or state funding sources. The *Application Handbook* provides comprehensive guidance on non-allowable uses.

Funding Parameters and Timeline

What are the funding limits?

CMS has established a per-nursing-home annual funding limit of $6,000 to ensure reasonable project costs and to maintain funding availability nationwide. While CMS does not automatically approve requests up to this maximum amount, applicants seeking funding that exceeds the established cap must clearly justify the necessity and reasonableness of their request.

Applicants from any state may implement various types of projects within each funding category. To promote fairness and accessibility, CMS sets maximum funding amounts (or caps) for these projects to ensure costs remain reasonable and that project funds are available to nursing homes across the country.

What are the project duration requirements for CMP-funded initiatives?
CMP-funded projects must not exceed 36 months (three years) in duration, although there is no mandated minimum timeframe. Applicants who have previously received CMP funding and are submitting a new application with a similar project focus must provide documented results demonstrating the successful implementation of their previous project. This documentation must be submitted prior to proposing expansion to additional nursing homes or states and should clearly show measurable improvements in resident care outcomes and quality of life.

Application Requirements, Submission, and Review Process

What Documentation Is Required for Applications?
All applications must include the CMS-approved Application Form. No other versions will be accepted. The application form must include the following components (not inclusive):

- Organization information
- Detailed project description
- Goals and measurable objectives
- Performance evaluation plan
- Sustainability plan
- Required attestation signature
- Accompanying documentation (as needed)

In addition to the application, applicants must submit an accompanying *Application Budget Spreadsheet* (Excel). This budget must be comprehensive, with a detailed line-item budget outlining specific cost requirements (with justification).

For projects that have received CMP funding and wish to expand into different nursing homes, they must submit the unique identifiers of their prior projects, as well as the results of their successful implementation, to demonstrate the project's effectiveness before duplicating it in other nursing homes. These results must show measurable connections to resident care outcomes and improvements in quality of life.

Letters of support are also required for all applications. These letters must be obtained from participating nursing homes to confirm their participation and ensure compliance with CMS funding requirements. CMS will accept a letter of support from a nursing home corporation or chain, provided that each participating nursing home facility acknowledges receipt through its Nursing Home Administrator. This includes the administrator's signature, the current date, and complete contact information (phone number, email address, and facility address). The documentation ensures that each facility within the corporation or chain has agreed to participate and provides direct contact points.

What is the submission timeline for proposed project applications?
The required minimum lead times for submitting project applications vary by project type:

- Standard Projects: Applications must be submitted at least **90 days** before the desired project start date.
- Conference/Training Projects: A minimum of **90 days'** advance submission is required.
- Multi-year Projects: Applications should be submitted at least **120 days** prior to the start of Year 1.

How long does the review process take?
The CMS CMPRP Team receives and reviews applications on an ongoing basis. The official CMS review timeframe begins when the team receives the application from the State Agency and sends a notification email acknowledging receipt of the submitted application to CMP-info@cms.hhs.gov. Note that the State Agency review timeframe differs from the CMS timeframe. Therefore, when an applicant submits an application to the State Agency for review, the State can provide guidance on the review timeline prior to CMS receiving the application. Under typical circumstances, responses are provided within the following timeframes:

- 30 calendar days for final approval decisions requiring no corrective action,
- 45 calendar days if no corrections or only one round of corrections are needed, and
- 60 calendar days if two rounds of corrections are required.

NOTE: The application review timelines may extend beyond the standard 30-60 day period.

Framework due to factors such as complex corrective actions, additional questions, high application volumes, technical issues, and coordination requirements between State Agencies and CMS. To minimize delays, applicants should plan for potential timeline extensions, respond promptly to requests, and ensure complete initial submissions using the "Application Submission Checklist" in the handbook. It's essential to recognize that standard timelines serve as targets for efficient processing.

What happens if corrections are needed?
Applicants have two (2) opportunities to provide required corrections during the review process. The State Agency is contacted within 15 calendar days to request changes (corrective action), and has 10 calendar days to submit revised applications and budgets. Failure to provide the requested information within the specified timeframe results in the application not being considered for approval.

Can denied applications be resubmitted?
Previously reviewed and denied applications cannot be resubmitted through the program's standard process. However, applicants who believe their application was incorrectly denied can email CMP-Info@cms.hhs.gov to request a meeting with CMS to review the application and discuss the denial decision.

Can a successful project be expanded or receive additional funding?
To submit a new application to expand a previously CMP-funded project with a similar focus, the same applicant/collaborating partner must target a different set of nursing homes. Additionally, applicants must provide documented results that demonstrate measurable improvements in resident care outcomes and quality of life before their proposal for expansion will be considered.

NOTE: Previous approval and funding of a project do not guarantee future approval of a similar project. Despite previous approvals, each application receives an independent review based on its merit, content, clear need for the project, and compliance with current CMS CMPRP policies and federal requirements.

Resources

Application Materials (available on CMS.gov):

- **Application Handbook -** Comprehensive guide for successful application development and implementation, including State Agency CMPRP contacts.
- **Application Form -** Standardized CMS-approved form required for all CMPRP funding requests.
- **Application Budget Spreadsheet -** Excel-based tool detailing line-item costs and participating nursing homes.

Reference Materials:

- **CMS CMPRP Memorandum -** QSO-25-26-NH
- **State CMP-Funded Projects by Calendar Year -**Examples of previously approved projects for guidance are available on CMS.gov.
- **State CMP Fund Balances** - Available on CMS.gov
- **CMPRP Federal Regulation -** 42 CFR § 488.433
- **State Operations Manual -** Chapter 7 (§7535)

Support Contacts:

- **State Agency CMPRP contacts -** Available in the handbooks.
- **CMS CMPRP Team -** CMP-info@cms.hhs.gov for general assistance

STATE PLAN OVERVIEW

What is a State Plan?
A State Plan is a prospective planning document that outlines how a state intends to use CMP funds during the upcoming calendar year. It serves as a strategic roadmap for quality improvement initiatives in nursing homes within that state.

What key elements must be included in the State Plan?

State Plans must include (not inclusive):
  • Detailed project descriptions and objectives
  • Budget allocations and financial planning
  • Expected outcomes and performance metrics
  • Timeline for implementation
  • Stakeholder engagement strategies
  • Compliance with federal requirements

What regulatory framework governs State Plans?
State Plans must comply with 42 CFR § 488.433 and guidance provided in Chapter 7 (§ 7535) of the State Operations Manual. Additional policy updates are communicated through CMS memoranda and technical assistance.

Are the State Plans posted publicly?
Components from the State Plans are posted annually on the CMS CMPRP website of CMS.gov, including the annual summary of CMP-funded projects, which provides a comprehensive overview of funded projects and annual State CMP fund balances. For State Plan-related questions, contact the designated State Agency CMPRP representative listed in the *State Plan and Project Tracking Handbook*.

Planning and Development

How should States identify priority areas for their State Plan?
States should assess their nursing home quality improvement needs through data analysis, stakeholder input, facility assessments, and feedback from residents and their families. Priority areas should align with both state-specific challenges and federal quality improvement goals.

Can States amend their State Plan after submission?
Once approved, State Plans serve as binding commitments. Modifications may be possible through formal amendment processes, but states should contact the CMS CMPRP Team at CMS-info@cms.hhs.gov to discuss any necessary changes and approval procedures.

Submission Timeframe

When should State Plans be submitted?
States must submit the State Plans annually, by October 31st, for review to the CMS CMPRP Team at CMP-info@cms.hhs.gov.

CMP Fund Usage

Can States use CMP funds for administrative uses?
The State can request CMP funds for certain costs associated with administering the CMP program as part of the annual State Plan. For example, States may request funds for personnel required to solicit and review applications, monitor project compliance, and report on program outcomes.

Can States ask CMS Locations to use CMP funds for emergency uses?
States may request to use emergency reserve funds for (not limited to):

- Support and protection of residents of a facility that closes (voluntarily or involuntarily)
- Time-limited expenses incurred in relocating residents to home and community-based settings or another facility when a facility is closed or downsized pursuant to an agreement with the State Medicaid agency
- Development and maintenance of temporary management or receivership capability, including recruitment, training, retention, or other system infrastructure expenses.

NOTE: The State Agency must contact its respective CMS Location

Can the emergency reserve fund be increased from the amount originally planned?
Yes, the State may reach out to its CMS Location with a request for additional emergency reserve funds. Once approved, the increase in emergency reserve funds becomes immediately available to the State.

Compliance and Reporting

What happens after the State Plan submission?
After submission by October 31st, CMS reviews the State Plan for compliance with federal requirements, alignment with program objectives, and feasibility of proposed projects. States may receive requests for clarification during the review process.

NOTE: Late submissions may impact future CMP fund allocations. States should contact the CMS CMPRP Team at CMS-info@cms.hhs.gov immediately if they anticipate submission delays.

How does the State Plan relate to Project Tracking requirements?
The State Plan serves as the foundation for subsequent Project Tracking Spreadsheet submissions due by February 1st of the following year. The tracking document reports actual outcomes and expenditures compared to the original State Plan projections.

Staffing Campaign Support

Can States allocate funds toward the National Nursing Home Staffing Campaign?
Yes, funds can be obligated in the State Plan. For more information on the Nursing Home Staffing Campaign, visit CMS.gov or contact NHSC@cms.hhs.gov.

Project Tracking Overview

What is Project Tracking?
Project Tracking is a retrospective reporting document that serves as an accountability mechanism for completed and in-progress projects. It documents the actual progress of project outcomes, fund utilization, performance results compared to the original State Plan projections, and other project-related elements.

What regulatory requirements govern Project Tracking?
Project Tracking must comply with 42 CFR § 488.433 and guidance provided in Chapter 7 (§ 7535) of the State Operations Manual, along with any additional policy updates communicated through CMS memoranda.

Submission Timeframe

When is the Project Tracking Spreadsheet (PTS) due?
The PTS must be submitted by February 1st (for the previous calendar year) to CMP-info@cms.hhs.gov for review. This deadline ensures the timely reporting of completed project outcomes and financial expenditures.

What template must be used for Project Tracking?
States must use CMS-approved PTS. This standardized format ensures consistent reporting across all participating states and facilitates federal oversight.

Reporting Requirements

What projects should be included in the PTS?
The State should include CMP-approved projects with funds that were expended during the relevant calendar year.

What information must be included in the PTS?

The PTS must include (not inclusive):

- Actual expenditures by project and category
- Interim or final project results
- Detailed breakdown of fund utilization
- Clear explanations for any budget variances
- Demonstration that all expenditures directly benefited nursing home residents as intended.

Project Outcome Reporting

What project outcome information is required? The PTS must document project results:

- Measurable goals and objectives vs. outcome achievements
- Outcomes, deliverables, and successes
- Challenges encountered and how they were addressed
- Lessons learned

Compliance and Accountability

How does Project Tracking ensure accountability?
Project Tracking fosters accountability by requiring detailed reporting of actual outcomes versus planned objectives, documenting resident benefits, and demonstrating compliance with federal requirements.

Resources

State Plan and Project Tracking Spreadsheet Materials (available on CMS.gov)**:**

- **State Plan and Project Tracking Handbook -** Supports State Agencies in completing and submitting the State Plan and Project Tracking Spreadsheet.
- **Application Handbook -** Comprehensive guide for successful application development and implementation, including State Agency CMPRP contacts.
- **State Plan Form -** Document outlining planned use of CMP funds.
- **Project Tracking Spreadsheet -** Excel spreadsheet used to document project details and fund expenditures.

Reference Materials:

- **CMS CMPRP Memorandum -** QSO-25-26-NH
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