



**Center for Clinical Standards and Quality/Quality, Safety & Oversight Group**

**Ref: QSO-19-19-NH**

**DATE:** September 4, 2019

**TO:** State Survey Agency Directors

**FROM:** Director  
Quality, Safety & Oversight Group- Division of Nursing Homes

**SUBJECT:** Updates to Civil Money Penalty (CMP) Reinvestment Resource Materials

**Memorandum Summary**

- **The Centers for Medicare & Medicaid Services (CMS) has updated and added CMP reinvestment resources on the CMP Reinvestment Resource Web Page, available at: <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/LTC-CMP-Reinvestment.html>**
- **Updated resources include the following:**
  - CMP reinvestment application resources
  - CMP reinvestment state plan resources
  - State CMP reinvestment projects funded in calendar years (CY) 2017 and 2018
  - Examples of CMP funded projects as well as non-allowable uses of CMP funding

**Background**

A federal CMP is a monetary penalty CMS may impose against nursing homes for either the number of days or for each instance a nursing home is not in substantial compliance with one or more Medicare and Medicaid participation requirements for long term care facilities. After CMPs are collected, a portion is provided back to the State. Federal law and regulation at 42 CFR 488.433(a)-(b) provides that CMP funds must be reinvested to support projects that benefit nursing home residents and that protect or improve their quality of care or quality of life. Furthermore, 42 CFR 488.433(e) requires the State to maintain an acceptable plan, approved by CMS, for the effective use of CMP reinvestment funds.

In November of 2016, CMS released a web page to house general information on the reinvestment of CMP funds at <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/LTC-CMP-Reinvestment.html>. This web page serves as a location for pertinent information designed for: entities interested in applying for CMP funds, State Agencies (SA), CMS Regional Offices (ROs), and other stakeholders. Since its

launch, many resources have been added to the web page, including an example application for the use of CMP funds, examples of CMP funded projects, lists of CMP reinvestment projects funded in calendar years 2016 and 2017, and CMP reinvestment state plan resources.

## **Discussion**

CMS strives to provide CMP reinvestment stakeholders with additional information on funded projects, and we aim to reduce additional requests by CMS for information from stakeholders either during CMP reinvestment state plan or CMP reinvestment project application reviews. Additionally, we want to provide resources and guidance that assist applicants in submitting projects eligible for CMP reinvestment funding. Therefore, CMS has updated and provided additional resource materials on the CMP Reinvestment Resource Web Page.

First, we have updated the “Example CMP Reinvestment Application Template” to allow for additional information to be provided in the areas that usually require clarification by the applicant. These areas include budget information, nursing home involvement in the development and implementation of the project, and potential duplication of effort (or requirements) by nursing homes or other federal or state services. Furthermore, the CMP application will now feature an option to indicate submission of an “extension project” for submissions that are identical to a previously approved project, and for example, is being duplicated in another state. This should make the review process quicker for identical project proposals, and reduce burden on the applicant. In addition to updates to the example application, CMS has provided two new resources that may assist applicants with providing adequate information for a complete review by CMS. The first resource is an “Example CMP Reinvestment Application Budget Template” that can help applicants provide a detailed, line-item budget, thus improving the likelihood that the applicant will submit sufficient information for a full review. The second new resource is the “CMP Reinvestment Application Resource Guide” which provides guidance to applicants as they develop and submit applications for the use of CMP funds to the appropriate SA.

Second, we have updated CMP reinvestment state plan resources for the CY 2020 submission since the previous resources were specific to 2019. The “CMP Reinvestment State Plan Submission Template”, “Sample CMP Reinvestment State Plan”, and “CMP Reinvestment State Plan Resource Guide” include a new section indicating the amount of CMPs returned to the State during the previous calendar year. Guidance has also been added to sections often requiring additional information, such as the “Emergency Reserve Fund”, “Annual Administrative Use”, and “Available Funds” sections. The project tracking sheet which lists projects funded during the year as well as actual CMP reinvestment funds returned to and expended by the State must be submitted to the CMS RO and the Civil Money Penalty Reinvestment Program (CMRP) mailbox at [CMP-info@cms.hhs.gov](mailto:CMP-info@cms.hhs.gov) by February 1 of the following calendar year. For example, the “CY 2019 Project Tracking Sheet” (or a similar tracking sheet maintained by the State) is due February 1, 2020.

Third, CMS has updated the “State CMP Reinvestment Projects Funded in CY 2017” document with additional reported results. Furthermore, we added the “State CMP Reinvestment Projects Funded in CY 2018” document to the web page since the previous year’s tracking sheets were made available by SAs with project information.

Fourth, we added articles that describe eight approved CMP projects in 12 states. These examples are intended to provide stakeholders with additional information on several projects, in hopes of inspiring stakeholder ideas for CMP reinvestment project submissions.

Lastly, we added a document that provides examples of project submissions that contain non-allowable uses of CMP reinvestment funds. This document provides stakeholders with information that may prevent inappropriate submissions for funding.

The list of updated/new materials is the following:

CMP reinvestment application resources

- Example CMP Reinvestment Application Template (update)
- CMP Reinvestment Application Resource Guide (new)
- Example CMP Reinvestment Application Budget Template (new)

CMP reinvestment state plan resources

- CMP Reinvestment State Plan Submission Template (update)
- CMP Reinvestment State Plan Resource Guide (update)
- Sample CMP Reinvestment State Plan (update)
- CY 2019 Project Tracking Sheet (update)

CMP reinvestment projects

- State CMP Reinvestment Projects Funded in CY 2017 (update)
- State CMP Reinvestment Projects Funded in CY 2018 (new)
- Examples of CMP Funded Projects- Updated 2019 (new)
- Examples of Non-allowable Uses of CMP Funds (new)

**Contact:** If you have questions about this communication, please send an email to: [CMS-info@cms.hhs.gov](mailto:CMS-info@cms.hhs.gov).

**Effective Date:** Immediately. This memo should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators within 30 days of this memorandum.

/s/  
David R. Wright

cc: Survey and Certification Regional Office Management