

August 2021

Civil Money Penalty (CMP) Reinvestment Application Resource Guide

Background

A civil money penalty (CMP) is a monetary penalty the Centers for Medicare & Medicaid Services (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. CMP funds returned to the state must be reinvested to support projects that benefit nursing home residents and that protect or improve their quality of care or quality of life.

The application process for CMP funds is determined by the state in which the nursing home is located. Applicants shall submit an application request and a detailed line-item budget for the project to the applicable state agency (SA) for initial review and recommendation. SAs shall make an initial determination on the potential of the project to benefit nursing home residents and protect or improve their quality of care or quality of life. Once the state determines the application meets state requirements and CMS guidance, SAs will then forward the application to the CMS Branch for review and approval. CMS Branches will respond to the SA with approval, denial, or request for further information. After a determination by the SA and CMS Branch, the applicant will be notified of the funding determination. Applicants may contact the applicable SA with questions regarding their CMP Reinvestment application.

Note: Applications that are an extension of an approved CMP reinvestment project to new nursing home location(s) do not have to complete the entire application. **A project is considered an "extension project" if it is identical in project details to a project approved after April 1, 2018** (same applicant, same project focus, but to a new nursing home population). For extension projects, applicants must submit the approval letter for the approved CMP reinvestment project and complete the following sections: Applicant Contact and Background Information (sections 1-2a, and 6); Funding (sections 7-9); Project Title (section 10), Number of Nursing Homes (section 10b), Previous Unique Identifier (section 10c - if applicable); Project Time Period (section 11); Partnering Entities (section 15 for non-nursing home applicants and section 16 for all applicants, if appropriate); and Attestation (section 22). Additionally, the applicant must submit results of the previously approved and completed project (if applicable), with confirmation by the SA. The frequency that the applicant submits CMP project results for review by the SA, is at the discretion of the SA and can be as early as 3 months on a 12-month project. Results must show that an applicant met the project's goals and objectives for an application extension to occur. An applicant submitting an extension project must include a letter or email from the original state agency(ies) of the previously approved, CMP-funded project. In the letter or email, the SA needs to state whether the previous applicant met project goals and objectives, and whether the SA recommends expanding this applicant's project to other nursing homes.

Periodic reports may be required by each SA. Project outcomes, including the metrics provided in the application, must be reported at the completion of the project period. In order to maintain compliance with 42 CFR 488.433, at a minimum, SAs must make information about the use of CMP funds publicly available, including the dollar amount, recipients, and results of the project.

Resource Guide

This resource guide contains guidelines to help applicants develop and submit applications to SAs for the use of CMP funds. States may use their own application template or use the CMP Reinvestment Application Template provided by CMS. Please note that the use of the CMP Reinvestment Application Template is not required by CMS and does not guarantee that an application will be approved.

The CMP Reinvestment Application Template is located on the CMP Reinvestment Resource website at: <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/LTC-CMP-Reinvestment.html>.

If you have questions about these resources, please contact CMP-info@cms.hhs.gov.

Project and Applicant Requirements

Before completing a CMP reinvestment application, review the requirements below.

Projects cannot:

- Exceed three years;
- Include items or services that are not related to improving the quality of life and care of nursing home residents or protecting such residents. For example, projects where the need or demand for services provided by the project does not exist, and projects where nursing home residents are not the target beneficiaries or the nursing home setting is not the focus of the project;
- Include research as a focus as the benefit to nursing home residents is unknown or concentrated on the research entity, or a large portion of the budget does not directly benefit nursing home residents;
- Include funding for capital improvements to a nursing home (e.g., replacing a boiler, redesign of a nursing home, landscaping, parking lot or sidewalk construction);
- Include funding for nursing home services or supplies that are already the responsibility of the nursing home (e.g., staff, staff travel and lodging expenses, required staff training, required medical equipment, food);
- Include funding for survey and certification operations or state expenses;
- Include funding for refreshments;
- Include funding for incentives (e.g., for attending training or completing a survey—this includes items such as payments or gift cards);
- Include unclear or excessive expenses (e.g., budget items that are not clearly detailed or itemized, unreasonably high project staff salaries or travel expenses, excessive staff to implement a project, unreasonable marketing of projects, high indirect costs, or a large portion of the budget set aside for evaluation);
- Include supplementary or duplicative federal or state funding (e.g., personnel performing the same duties as Ombudsman, nurse aide training programs); and
- Be resubmitted after CMS disapproval/denial.

Applicants must:

- Be qualified and capable of carrying out the intended project(s) or use(s);
- Not have a conflict of interest relationship with the entity(ies) who will benefit from the intended project(s) or use(s); and
- Not be paid by a state or federal source to perform the same function as the project(s) or use(s) (e.g., CMP funds may not be used to enlarge or enhance an existing appropriation or statutory purpose that is substantially the same as the intended project(s) or use(s)).

Guidelines to Complete a CMP Reinvestment Application

An effective CMP reinvestment application should include the following information. The Resource Guide follows the structure of the CMP Reinvestment Application Template.

Application Section	Description
Applicant Contact and Background Information	
1. Applicant Contact Information	<ul style="list-style-type: none"> Provide the applicant's (individual) contact information: <ul style="list-style-type: none"> Name, Phone Number, Email Address: Street, City, County, State/Territory, Zip Code The primary point of contact (POC) is defined as the person responsible for project implementation. If the primary POC is different than the POC who completed the application, please provide the primary POC's name and contact information.
2. Applicant Organization Information	<ul style="list-style-type: none"> Provide the contact information for the organization requesting CMP funds: <ul style="list-style-type: none"> Name Phone Number Email Address: Street, City, County, State/Territory, Zip Code National Provider Identifier (if applicable) Note: The organization or nursing home that requests CMP funding is accountable and responsible for all CMP funds granted. If a change in ownership occurs after CMP funds are granted or during the course of the project, the primary POC should notify the SA. Notice regarding the change in ownership and its impact on the CMP Reinvestment Application award should be sent to SA. The SA will communicate the change to CMS. Identify if the organization is a nursing home. <ul style="list-style-type: none"> If the organization is a nursing home, indicate if any outstanding CMPs are due and if the nursing home is in bankruptcy or receivership.
3. Organization History	<ul style="list-style-type: none"> Describe the history of the organization requesting CMP funds.
4. Organization Capabilities	<ul style="list-style-type: none"> Describe the organization's capabilities, including products and services relevant to the proposed CMP project.
5. Organization Website	<ul style="list-style-type: none"> Provide the website address for the organization requesting CMP funds, if available.
6. Other Funding Sources	<ul style="list-style-type: none"> Indicate whether other funding sources have been applied for and/or granted for this proposal or project.
Funding	
7. Total CMP Fund Requested Amount	<ul style="list-style-type: none"> Provide the amount requested annually and for the entire project. For example, if it is a three-year project and requires \$25,000 per year, then enter \$75,000 as the total project cost and \$25,000 as the annual cost. If requesting \$25,000 for a one-year project, then enter \$25,000 as both the annual and total cost. Include the total amount of non-CMP funds received for the project, as described above in "Other Funding Sources."

Application Section	Description
<p>8. Detailed Line Item Budget</p>	<ul style="list-style-type: none"> ● Applicants must provide a detailed line item budget (using the CMP Reinvestment Budget Template or similar spreadsheet) to outline specific cost requirements within each of the following budget categories: <ul style="list-style-type: none"> ○ Personnel: an employee of the organization whose work is tied to the proposed project; ○ Travel: provide mileage, lodging and per diem as applicable; ○ Equipment purchases and rentals: materials central to the roll out of the project; ○ Contractual: the cost of project activities to be undertaken by a third-party contractor. Each contractor should be budgeted separately; ○ Other direct costs: expenses not covered in any of the previous costs; ○ Total indirect costs: overhead costs allocable to the project such as a negotiated rate with a university; and ○ Cost-sharing: total non-CMP funds received or anticipated for this project. Please note that the amount entered in the cost-sharing field of the CMP Reinvestment Budget Template will be automatically subtracted from the total project cost field. ● Applicants are encouraged to attach a separate line item budget in Excel with application materials.
<p>9. Budget Narrative</p>	<ul style="list-style-type: none"> ● The budget narrative should justify the indirect costs and cost-sharing amounts included in the CMP Reinvestment Budget Template or similar spreadsheet. Explain the costs calculation and methodology. If using the CMP Reinvestment Application Template and additional space is needed, attach additional pages with the project application submission. ● Cost-sharing is the portion of project costs not covered by CMP funds. In general, applications that include in-kind and/or cash contributions demonstrate a commitment to the project and greater cost effectiveness. Applicants should consider all types of cost-sharing. This request is not meant to cause undue burden; therefore, we are not requesting small budgetary items such as low-cost office supplies donated by the facility. An example of cost share would be a bicycling program where the facility donates half the cost of the bicycle. Other federal funding does not constitute cost-sharing. If cost-sharing is included, it should be listed for each year of the project. If the proposed project is a component of a larger program, identify other funding sources for the proposal, and indicate the specific funding amount to be provided by those sources.

CMPRP

Civil Money Penalty Reinvestment Program



Application Section	Description
Project Details	
10. Project Title	<ul style="list-style-type: none"> • Provide the title/name of the proposed project. • 10a: Identify if the project is an extension of a CMP reinvestment project approved after April 1, 2018, and if results have been provided to the SA. Check yes only if the project is an extension to a new nursing home location and include original unique identifier in section 10c. • Applicants must submit the approval letter for the existing CMP reinvestment project. Applicants must also submit the results of the project forwarded to the SA as an attachment to this application (if applicable) with confirmation by the SA. • 10b: Identify the number of nursing homes that will be supported by this application. • 10c: Provide the unique identifier (UID) of the original CMP project and the dates of execution.
11. Project Time Period	<ul style="list-style-type: none"> • Provide the proposed start and end dates for the proposed project (i.e., 07/2020 to 06/2021). • Note: Project durations must not exceed three years.
12. Project Category	<p>Identify <u>ONE</u> appropriate category that best describes the focus of the proposed project:</p> <ul style="list-style-type: none"> • <u>Consumer Information</u>: Projects that share information about resident and resident representative rights, the nursing home care process, and generally anything useful that ensures quality care in nursing homes. • <u>Resident or Family Council</u>: Projects that focus on resident and family council development or improvement in resident centered services. • <u>Direct Improvements to Quality of Care</u>: Projects that directly improve care for nursing home residents. • <u>Cultural Change/Direct Improvements to Quality of Life</u>: Projects that enhance a resident's self-esteem and dignity. Culture change is the common name given to the national movement for the transformation of older adult services, based on person-directed values and practices where the voices of elders and those working with them are considered and respected. • <u>Training</u>: Training that covers material that directly benefits nursing home residents. • <u>Other</u> (please specify).

Application Section	Description
Summary of Project and Benefits to Residents	
13. Summary of the Project and its Purpose	<ul style="list-style-type: none"> • Describe the problem or gap this project is aiming to address. • Describe the plan to implement the project, including implementation timeline. • Describe project goals and/or objectives. The following content should be included: <ul style="list-style-type: none"> ○ A goal is a desired result you want to achieve, and is typically broad and long-term. Example: To provide person-centered care to improve the quality of life of residents living with dementia. ○ An objective defines the specific, measurable actions the nursing home must take to achieve the overall goal. <ul style="list-style-type: none"> ▪ Typically, one may use the SMART (Specific, Measurable, Achievable, Relevant, Time-Bound) method or a similar method to define and measure specific objectives. ○ To develop SMART objectives, use the template below and fill in the blanks: By ____/____/____, _____ [WHEN—Time bound] [WHO/WHAT—Specific] from _____ to _____ [MEASURE (number, rate, percentage of change and baseline)—Measurable] (Source: State Heart Disease and Stroke Prevention Program Evaluation Guide: SMART Objectives Evaluation Guide (https://www.cdc.gov/dhdsp/docs/smart_objectives.pdf)) Completed sample: By December 31, 2021, X Nursing Home Corporation will implement a Dementia Care Training Program for 70 staff in five nursing homes and have 90% of staff participants receive a passing score on the Dementia Care Certification exam. <p>Note: Please see the Tips for Writing Clear Goals and Quantifiable Objectives on the CMP Reinvestment Resource website for further information.</p>
14. Benefit to Nursing Home Residents	<ul style="list-style-type: none"> • Describe how this project will directly benefit nursing home residents. • Note: CMP funds shall only be used for activities that benefit nursing home residents and that protect or improve their quality of care or quality of life.
15. Nursing Home and Community Involvement	<ul style="list-style-type: none"> • Provide a brief description of how the nursing home community (including resident and/or family councils and direct care staff) will be involved in the development and implementation of the project. • If the organization applying is not a nursing home, include letters of support in the application submission to demonstrate nursing home support and buy-in for the proposed project. The applicant may also include letters of support from a nursing home association.

Application Section	Description
Partnering Entities	
16. Other Partnering Entities	<ul style="list-style-type: none"> • If applicable, list any other entity(ies) that will be partnering with the applicant on this project (e.g., individuals, organizations, associations, facilities). • Include specific deliverables for which the partnering entity(ies) will be responsible. • If applicable, include the amount of funding partnering entity(ies) will receive.
Deliverables, Risks, Performance Evaluation, Sustainability	
17. Project Deliverables	<ul style="list-style-type: none"> • List any physical items that will be deliverables as a result of funding the project (e.g., electronics, training materials, curricula).
18. Performance Monitoring and Evaluation	<ul style="list-style-type: none"> • Describe how the project’s performance will be monitored or evaluated (including specific outcome metrics) and the intended outcomes. Please refer to section 13 and report outcomes that reflect whether goals and objectives were met. • The reporting of quantifiable results shall be submitted upon completion of the project or as frequently as required by the SA. • Example outcome metrics include the following: <ul style="list-style-type: none"> ○ At the end of the one-year period, the applicant organization had conducted 12 in-person trainings with 1,455 attendees. A satisfaction questionnaire found that 70% of attendees were very satisfied with the trainings they received, 15% satisfied, 3% unsure, 10% dissatisfied, and 2% very dissatisfied. ○ Nursing homes that sent at least one staff member to the training saw an improvement in influenza immunization rates by 15 percent and pneumococcal immunization rates by 10 percent.
19. Duplication of Effort	<ul style="list-style-type: none"> • Provide information that demonstrates the project will not duplicate or overlap with the responsibility of the nursing home to meet existing Medicare and Medicaid requirements and other applicable statutory and regulatory requirements, nor duplicate federal or state services.
20. Risks	<ul style="list-style-type: none"> • Describe the potential risks or barriers associated with implementing the project and the plan to address these concerns.
21. Sustainability	<ul style="list-style-type: none"> • Describe how the project or outcomes will be sustained after CMP funding concludes.
Attestation	
22. Attestation Statement	<ul style="list-style-type: none"> • Provide the name of the applicant. • Provide the signature of the applicant. If using the CMP Reinvestment Application Template, to provide a digital signature, double click the text box, and follow the instructions on your desktop. If you are unable to provide a digital signature, please print the application, sign, and then scan into a PDF. • Provide the date of signature.