

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 Long-Term Care Branches 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 similar in project details to an in progress or completed project approved after April 1, 2018 (same applicant and/or same collaborating partner, similar project focus, but to a different 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), ***Section 10a***, 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 state agency(ies) of the ***previously approved, CMP-funded in progress or completed 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.

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

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 on an annual basis, 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 websiteat: <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, *telemedicine services*);
- 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 excessive indirect costs;*
- *Include funding for projects focused primarily on the development of project curriculums or toolkits;*
- 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 ResourceGuide follows the structure of the CMP Reinvestment Application Template.

| Application Section | Description |
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| 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. <i>The primary POC should also provide a signed attestation confirming the change of ownership to the SA.</i> The SA will communicate the change to CMS. • Identify if the organization is a <i>certified</i> 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"> • <i>Indicate whether the applicant or their collaborating partners (if applicable) currently receive Federal or State funds?</i> • <i>Indicate whether other funding sources, such as Federal or State funds, have been applied for and/or granted for this proposal or project.</i> |

| Application Section | Description |
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| 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. <i>The annual project cost may vary.</i> 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.” |
| 8. Detailed Line-Item Budget | <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 and provide estimated number of man hours and related duties; ○ <i>Travel: provide a breakdown of mileage/airfare, per diem, and hotel rates (as applicable). Travel expenses must be reasonable. Examples of reasonable rates include but are not limited to the published U.S. government allowance rates (available from the www.gsa.gov website). Rates that exceed GSA should include justification;</i> ○ <i>Equipment purchases and rentals: materials necessary for the implementation of the project. Include the item description, the number of items requested, and cost per unit;</i> ○ <i>Contractual: any cost associated with project activities that are undertaken by a sub-contractor or third-party contractor. A detailed line item breakdown of each sub- contractor's expenses should be included in the budget;</i> ○ Other direct costs: expenses not covered in any of the previous costs; ○ <i>Total indirect costs: overhead costs allocable to the project, such as a federal negotiated rate with a university. Submit a copy of the federally negotiated rate agreement with the application;</i> ○ 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. |

| Application Section | Description |
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| Funding | |
| 9. Budget Narrative | <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. |
| Project Details | |
| 10. Project Title | <ul style="list-style-type: none"> Provide the title/name of the proposed project. <i>10a: Identify if the CMP Reinvestment Project been previously approved (same applicant and/or same collaborating partner, similar project focus, but a different nursing home population). Identify if the results of the previously approved CMP Reinvestment Project have been submitted to the State Agency. Identify if the CMP Reinvestment Project is currently in progress, has three months elapsed for the State Agency and the CMS location to make an informed decision regarding duplication of this project.</i> <i>Applicants submitting a CMP Reinvestment Extension Project shall ensure a list of the Project deliverables along with a written report with details of the project results, challenges and opportunities for improvement has been forwarded to the SA. Applicants submitting a CMP Reinvestment Extension Project shall provide a letter or email from the State Agency of the previously approved, CMP-funded in progress or completed project.</i> 10b: Identify the number of nursing homes that will be supported by this application. <i>10c: Provide the unique identifier (UID) of the original or previously approved CMP project, the dates of execution, and a list of state(s) where the CMP reinvestment project has been implemented to benefit residents, if applicable.</i> |
| 11. Project Time Period | <ul style="list-style-type: none"> <i>Provide the number years and the specific dates relevant to the current project (i.e., 07/2022 to 06/2023).</i> Note: Project durations must not exceed three years. |

| Application Section | Description |
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| Project Details | |
| 12. Project Category | Identify <u>ONE</u> appropriate category that best describes the focus of the proposed project: <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 improves 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 |
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| Summary of Project and Benefits to Residents | |
| 13. Summary of the Project and its Purpose | <ul style="list-style-type: none"> Describe the problem, gap, or <i>nursing home need</i> this project is aiming to address. <i>Describe realistic, actionable project goals relevant to the project's objective.</i> <i>Describe the project's quantifiable objectives, including the specific metrics that will be used to measure actions the nursing home must take to achieve the overall goal.</i> 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/dhdsdp/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>Describe the plan to implement the project, including implementation timeline.</p> <p>Note: Please see the Tips for Writing Realistic, Actionable 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 directly benefit nursing home residents, that protect or improve their quality of care or quality of life, <i>and that go above and beyond what is already required of the nursing facilities.</i> |
| 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, letters of support from all participating nursing homes are required in the application submission. |

| Application Section | Description |
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| Partnering Entities | |
| 16. Other Partnering Entities | <ul style="list-style-type: none"> If applicable, list any other collaborating 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. <p><i>If applicable, include how much funding partnering entity(ies) will receive and if the entity(ies) has submitted previously for CMP funding.</i></p> |
| 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"> <i>Describe how the project's ongoing performance will be monitored and evaluated throughout the term of the project, including specific outcome metrics, and the intended outcomes.</i> <i>These metrics shall be submitted as required by the applicable SA, throughout the course of project, and upon completion of the project.</i> 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 training 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"> <i>If applicable, provide a plan on how the project or outcomes will be sustained following the conclusion of CMP funding. If the applicant will be seeking other funding sources, please provide further detail.</i> |
| Attestation | |
| 22. Attestation Statement | <ul style="list-style-type: none"> Provide the name of the applicant. Provide the signature of the applicant. Provide the date of signature |