

Civil Money Penalty (CMP) Reinvestment State Plan Resource Guide

Background

All states must submit an acceptable Civil Money Penalty (CMP) Reinvestment State Plan for the effective use of CMP funds to the Centers for Medicare & Medicaid Services (CMS) annually.¹

Each state shall submit its plan to its CMS *Location* no later than October 31st each year for the upcoming calendar year unless otherwise specified by CMS. For example, the plan for *the upcoming* calendar year is due to the CMS Location on *or before* October 31. CMS will review each plan and determine compliance with 42 CFR §488.433(e) and acceptable uses of CMP funds (State Operations Manual).² If there are issues with the plan, CMS will contact states for possible corrective action. An optional CMP Reinvestment State Plan Submission Template is available for states' use on the CMS CMP Reinvestment website.

In addition to submitting a prospective CMP Reinvestment State Plan, states must complete the retrospective CMP Project Tracking Sheet at the end of each calendar year that provides information on each project that received funding during that calendar year. The CMP Project Tracking Sheet must be submitted directly to the CMS *Location* and the Civil Money Penalty Reinvestment Program (CMPRP) mailbox at CMP-info@cms.hhs.gov by February 1st of the following year. For example, the CMS Project Tracking Sheet for the projects funded in *the prior year* is due to the CMS Location and the CMPRP mailbox on *or before* February 1st.

The CMP Reinvestment State Plan Submission Template and CMP Project Tracking Sheet are located on the CMS CMP Reinvestment website at <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/LTC-CMP-Reinvestment>.

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

¹ 42 CFR 488.433(e)

² CMS Internet-Only Manual Publication #100-07

Resource Guide

This resource guide contains guidelines to help states develop their plan for the use of CMP funds. States may use the CMP Reinvestment State Plan Submission Template. Please note that the use of the template is not required by CMS, and using the template does not guarantee that a state’s plan will be approved by the *CMS Location*. A state may use its own template as long as it *mirrors the CMS-recommended template and* includes the necessary information.

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

CMP Reinvestment State Plan Submission Guidelines

A complete CMP Reinvestment State Plan should include the information listed below. The resource guide follows the structure of the CMP Reinvestment State Plan Submission Template.

Plan Section	Description
Introduction	
1. Timeline	<ul style="list-style-type: none"> Indicate the start date and end date for the plan (month and year). This must follow the upcoming calendar year (e.g., January 1, 20XX– December 31, 20XX). Provide the plan calendar year (e.g., 20XX). Indicate the date that the plan is submitted to CMS for review.
2. State Points of Contact	<ul style="list-style-type: none"> Include a primary point of contact for the CMP Reinvestment State Plan. Include a secondary point of contact, if available. Provide the state point of contact information: <ul style="list-style-type: none"> Name Title Office Address Phone number Email address
Plan for the Use of CMP Funds	
3. Current CMP Balance	<ul style="list-style-type: none"> Provide the projected CMP balance as of January 1 for the calendar year covered by the plan.
4. CMPs Returned to the State	<ul style="list-style-type: none"> The Current CMP Balance (section 3) includes CMP funds returned to the state in the previous year for the Medicaid portion of the CMP. Provide the amount (actual or projected) of CMP funds returned to the state during the previous applicable calendar year. The state should enter the date the balance is obtained.

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Plan Section	Description
<p>5. Emergency Reserve Fund</p>	<ul style="list-style-type: none"> • Provide the amount of the Current CMP Balance (section 3) that the state will allocate for the Emergency Reserve Fund. • This amount must be sufficient to indicate that a state is prepared to respond to emergencies while at the same time not maintaining a significant amount of unused CMP funds. It should also be clear how the state determined the requested amount, such as demonstrating a history of emergency uses, the corresponding expenses resulting from past emergencies, and the number of certified beds in the state. • States should take an all-hazard approach to anticipating emergencies, such as planning for natural disasters that are likely to occur in their area and the corresponding expenses. • Describe how the state will use emergency reserve funds, such as the relocation of residents due to natural disasters or pursuant to an involuntary termination from Medicare and Medicaid. • CMP funds cannot be used for facilities to meet emergency preparedness requirements.
<p>6. Annual Administrative Use</p>	<ul style="list-style-type: none"> • Provide the amount of the Current CMP Balance (section 3) that the state will reserve for administrative use purposes during the calendar year covered by the plan and a description of how the funds will be used. • Provide an estimate that accounts for all expected administrative costs. Actual funds expended for the calendar year should not exceed the estimate provided. (Note: If additional funds are needed for administrative use, the state must submit the request to the CMPRP Team in an amended State Plan for review. The amended plan must be approved by CMS prior to the state expending additional CMP funds for administrative uses.) • If the state does not intend to use CMP funds for administrative use, indicate by entering zero dollars in this section. If using the CMP Reinvestment State Plan Template, enter '0' (zero) and 'N/A' in the first and second fillable boxes, respectively. • If the state does intend to use CMP funds for administrative use, include the amount and describe how the funds will be used. These funds must be of a reasonable amount. • Include adequate details and justification for the requested amount, including position description(s) and a breakdown of salary and benefits for each position (e.g., salary and benefits for one full-time [1 FTE] staff to oversee the evaluation of an estimated number of 60 CMP applications submitted to the state for review, or for one full-time (FTE) to administer, monitor, evaluate, or report on the effectiveness of an estimated number of projects utilizing CMP funds). • Note: Avoid potentially prohibited or problematic costs (e.g., administrative expenses beyond those necessary to administer, monitor, evaluate, or report on the effectiveness of projects utilizing CMP funds).

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Plan Section	Description
7. Obligated Funds	<ul style="list-style-type: none">• Provide the amount of the Current CMP Balance (section 3) that is obligated for the implementation or continued implementation of any continuing and/or new projects approved for the calendar year covered by the plan.• Include a list of continuing and/or new projects approved for the year covered by the plan. List each project's title, the amount obligated for the approved project, the date the project began, the anticipated project end date (start and end dates of the project), and the recipient of project funds.• For multi-year projects or projects that are one year or less but span multiple years (e.g., 11/05/2022 - 08/05/2023), please enter the funds obligated for the calendar year covered by this plan, not the amount approved for the entire project.• If using the CMP Reinvestment State Plan Template and more space is needed, an extended sheet is provided in section 13. Please confirm that the total amount of obligated funds reflected in the total in this section includes the amounts included in the extended sheet (section 13).
8. Available Funds	<ul style="list-style-type: none">• Provide the state's net Available Funds (as of January 1 of the calendar year covered by this plan) after subtracting the following amounts: Emergency Reserve Fund, Annual Administrative Use, and Obligated Funds.• If using the CMP Reinvestment State Plan template, the table will auto-populate from sections 3 (Current CMP Balance), 5 (Emergency Reserve Fund), 6 (Annual Administrative Use), and 7 (Obligated Funds) in the Plan Summary Chart. Row 5, Available Funds, in the Plan Summary Chart will auto-calculate. Verify that the amounts are accurately reported from the previous sections, or if needed, manually enter the amounts.• To confirm that the amount of Available Funds is correct, take the total amount provided in section 3 and subtract the total amounts in sections 5, 6, and 7.• States must award a reasonable amount of Available Funds each year for projects that benefit nursing home residents, protect or improve their quality of care or quality of life, and are consistent with the Social Security Act and CMS regulations.• States should not have statutes that cap or limit the dollar amount of federal CMP funds awarded to projects that benefit nursing home residents, as CMPs can start accruing in state accounts, leaving states without the ability to use them.• CMS considers it a reasonable goal for states to award at least 50% of CMP funds, beyond those held in the Emergency Reserve Fund or for Administrative Uses, to projects benefiting nursing home residents.

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Plan Section	Description
Plan for Public Posting, Solicitation and Review Methods, Monitoring and Tracking Methods	
9. Public Posting of Funded CMP Projects	<ul style="list-style-type: none"> • Provide the website address or other posting location for project information. Each state must make standard information about funded projects publicly available. Project information must be updated annually. • A state may choose to refer stakeholders to the CMS CMP Reinvestment webpage as each state’s reported CMP project information is posted annually, or if a state chooses, they may post the information to their state-specific website. • For example, a state could include the following statement on the state website: “[State] maintains information about projects funded by CMP funds on the CMS website at https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/LTC-CMP- Reinvestment.” • States must provide the following information on each funded CMP Project: <ul style="list-style-type: none"> ○ Project title; ○ Duration of the project (project start and end dates); ○ Dollar amount awarded for each approved project; ○ Project summary that includes the purpose of the project, the project’s quantifiable goals and/or objectives; ○ Awardee name (entity approved to receive funding); ○ Results of projects (i.e., a description of the project’s outcomes, including the project’s goals and/or objectives that were achieved or not achieved); and ○ Any other key information, such as whether improvements have been institutionalized as a result of the project. • CMS will obtain this historical project information from states annually through the CMP Project Tracking Sheets. This project information will be posted to the CMS CMP Reinvestment website.
10. Solicitation Methods	<ul style="list-style-type: none"> • Describe how the state will solicit CMP projects that will benefit nursing home residents and how often. States must solicit CMP projects at least annually. Examples of solicitation methods include but are not limited to websites, notices to the Ombudsman’s office, presentations to the nursing home provider community, and conferences. • Include relevant details for each solicitation method. For example: who is responsible for carrying out the solicitation notice, the general timing of when it will occur, where it will occur, and the target audience. • If applicable: <ul style="list-style-type: none"> ○ Provide information on the types of projects intended to be solicited (e.g., dementia care, music and memory). ○ Describe any standard language or requirements that will be included in each solicitation notice.

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Plan Section	Description
11. Review Methods	<ul style="list-style-type: none">• Describe how the state will objectively and consistently review and evaluate incoming CMP applications to determine if the proposal meets the criteria for acceptable uses of CMP funds. Please include the following:<ul style="list-style-type: none">○ Who is responsible for reviewing the applications○ Criteria the state will use to evaluate applications○ The expected timeframe for the state to review and approve or deny applications○ The state’s process for submitting an application to CMS
12. Monitoring and Tracking Methods	<ul style="list-style-type: none">• Describe how the state will monitor and track projects that use CMP funds as well as funds expended for Administrative Use (section 6).• Provide information about how the state will verify that the monies paid out for the CMP project were spent on the items identified by the CMP fund recipient. For example, compliance monitoring may include site visits, invoices, timecards, and receipts for supplies and travel.• Describe how the state will track project results. For example, project tracking activities may include periodic or standard reporting deadlines, deliverables, <i>and</i> final report, as well as the inclusion of metrics.
13. Extended Sheet for Obligated Funds	<ul style="list-style-type: none">• Provide additional line-items for the Obligated Funds Plan (section 7) that did not fit on the previous chart (if using the CMP Reinvestment State Plan Template).• Confirm that the total given in section 7 includes all line-items on the extended sheet.

Plan Section	Description
Plan for the Use of Civil Money Penalty (CMP) Funds	
<p>1. CMP Project Tracking Sheet</p> <p>Please note that the CMP Project Tracking Sheet is separate from the CMP Reinvestment State Plan Template</p>	<ul style="list-style-type: none"> • Submit the CMP Project Tracking Sheet to the CMS <i>Location</i> and the CMPRP mailbox at CMP-info@cms.hhs.gov by February 1st of each year. The CMP Project Tracking Sheet must contain information on projects that took place during the previous year. For example, the CMS Project Tracking Sheet for the projects funded <i>during the prior year</i> is due to the CMS <i>Location</i> and the CMPRP mailbox on <i>or before</i> February 1. • The first tab of the CMP Project Tracking Sheet contains instructions. The second tab is for providing project information relevant to the calendar year. The third tab is a Financial Summary of the relevant calendar year. The fourth tab contains an example of a completed project tab. The fifth tab provides an example of a completed Financial Summary. • Include in the CMP Project Tracking Sheet the following required information for each project receiving CMP funds during the calendar year covered: <ul style="list-style-type: none"> ○ Project unique identifier; ○ Project start date; ○ Project end date; ○ Total amount of CMP funds approved for the project; ○ Total amount of CMP funds expended during the CY for the project; ○ Project title; ○ Project summary (i.e., specific purpose of the project, description of what the project will achieve, explanation of how the project will benefit nursing home residents, and target audience beyond nursing home residents, if applicable); ○ Funded entity(ies); and ○ Results/outcomes of the project that are reflective of the project’s quantifiable goal(s) and/or outcomes. <i>Per CMP regulations, all projects must be evaluated and report project results.</i> • Include in the CMP Financial Summary Sheet the following required plan summary information for the calendar year covered: <ul style="list-style-type: none"> ○ CMP balance (obligated and available) as of January 1 of the calendar year; ○ CMP funds expended for administrative uses during the calendar year; ○ CMP funds expended for emergency uses during the calendar year; ○ CMP funds spent on CMP projects during the calendar year (auto-populated); ○ CMP funds added during the calendar year; and ○ CMP balance as of January 1 of the following calendar year (auto-populated).