

CMP Fund Frequently Asked Questions

What are CMP funds?

CMP stands for civil money penalty. It is a monetary penalty the Centers for Medicare & Medicaid Services (CMS) may impose against skilled nursing facilities (SNFs), nursing facilities (NFs), and dually-certified SNF/NF for either the number of days or for each instance a facility is not in substantial compliance with one or more Medicare and Medicaid participation requirements for Long Term Care Facilities (Code of Federal Regulations (CFR) 42 Part 488.430). The requirements for participation with Medicare and Medicaid for Long Term Care (LTC) facilities can be found at 42 CFR Part 483 subpart B.

Why are these funds available and how can they be used?

Sections 1819(h)(2)(B)(ii)(IV)(ff) and 1919(h)(3)(C)(ii)(IV)(ff) of the Social Security Act (the Act) incorporate specific provisions of the Patient Protection and Affordable Care Act, (the Affordable Care Act) (Pub. L. 111-148) pertaining to the collection and uses of CMPs.

The Act and regulation provides that CMP funds may be used to support activities that protect or improve the quality of care or quality of life for residents. This may include any of the following:

- Assistance to support and protect residents of a facility that closes or is decertified;
- Time-limited expenses incurred in the process of 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;
- Projects that support resident and family councils and other consumer involvement in assuring quality care in facilities;
- Facility improvement initiatives such as joint training of facility staff and surveyors or technical assistance for facilities implementing quality assurance and performance improvement programs;
- Development and maintenance of temporary management or receivership capability. A temporary manager's salary must be paid by the facility unless CMS stops or suspends payments to the facility under 42 CFR Part 489.55 during the temporary manager's duty period, and CMS determines that extraordinary action is necessary to protect the residents until relocation efforts are successful; and
- Expenses incurred by a State related to CMP uses (i.e., administrative expenses related to administering, monitoring, and evaluating CMP projects).

Are there prohibited uses of CMP funds?

CMP funds may not be used for uses prohibited by law, regulation, or CMS policy. These include but are not limited to:

- Projects disapproved by CMS;
- Survey and certification operations or State expenses not previously mentioned above;
- Capital expenses of a facility;
- Nursing home services or supplies that are the responsibility of nursing homes, such as laundry, linen, food, heat, staffing costs, etc.;
- Funding projects, items or services that are not directly related to improving the quality of life and care of nursing home residents;
- Projects for which a conflict of interest or the appearance of a conflict of interest exists;
- Long term projects (greater than 3 years);
- Temporary manager salaries (see exceptions above); and
- Supplementary funding of federally required services (e.g., Quality Improvement Organization-Quality Improvement Network Initiatives).

For information on allowable and unallowable uses, please see 42 CFR 488.433 and chapter seven (§ 7535) of the State Operations Manual.

Who may apply for the use of CMP funds?

Funds may be granted to any entity for proper use of CMS-approved projects to protect or improve the quality of life for nursing facility residents provided that the responsible receiving entity is:

- Qualified and capable of carrying out the intended project or use;
- Not in any conflict of interest relationship with the entity or entities that will benefit from the intended project or use;
- Not paid by a State or federal source to perform the same function as the CMP project or use. CMP funds **may not be used** to enlarge or enhance an existing appropriation or statutory purpose.

Examples of eligible organizations include, but are not limited to:

- Consumer advocacy organizations
- Resident or family councils
- Professional or State nursing home associations
- Certified LTC facilities (SNF, NF, SNF/NF)
- Private contractors

For information on who may apply for CMP funds, please S&C Memo 12-13-NH.

Are non-certified LTC facilities eligible for these funds?

No, CMP funds can only be used to benefit residents in **certified** LTC facilities. LTC CMP funds cannot be used for assisted living facilities, hospitals, adult day health care, etc. Please see Section 1919(h)(2)(A)(ii) of the Social Security Act for more information.

Do CMP funds need to be used by certified LTC facilities that are not in compliance?

No, although the hope is that additional programs funded by CMPs will help with facilities maintaining compliance, all certified LTC facilities are eligible to apply or benefit from the funding.

Does a project need to benefit multiple LTC facilities to be approved?

No, projects can be approved for individual nursing homes or entities that are working with an individual nursing home.

What is the application process like, and where can I apply?

The application process for each State may differ. Some States utilize contract mechanisms and others, grants. All States must receive approval from CMS through their CMS Regional Office. CMS will respond no later than 45 calendar days after receiving a request with either approval, denial, or a request for more information. If additional information is provided, the CMS Regional Office will respond to the State with a final decision within 30 calendar days.

To apply for a Kansas CMP fund please contact:

Tina Lewis, KDADS
Tina.Lewis@ks.gov
785-296-1260

I would like to submit a proposal, but I'm looking for project ideas. What can I do?

You may want to review the following resources for ideas.

- CMS's **S&C Memo 12-13-NH** Appendix One lists previously approved programs;
- If your State has a CMP webpage, they may also have examples of programs that have been approved in the past; and/or
- **Examples of Funded Projects** are available in the *Downloads* section of the CMP website.

Can CMP funds be used to fund salaries or the Ombudsman Program?

CMP funds may not be used for State expenses or by a State or federal source to perform the same function as the CMP project or use. Therefore, States cannot use CMP funds to support Ombudsmen salaries. States can only use CMP funds for personnel to administer and monitor projects utilizing CMP funds. For more information, please see 42 CFR 488.433 and S&CMemo 12-13-NH.

Can the funds be used to pay for other types of salaries?

The CMP funds can be applied to contractors or educators paid to implement the proposed project, but are not intended to cover or take the place of facility staff salaries (temporary managers' salaries are discussed under *Why are these funds available and how can they be used?*).

How long can a project be?

Projects cannot exceed three years, but there is no minimum requirement.

Can projects be renewed after three years?

A project evaluation supplied by the funded entity would have to provide adequate evidence of effectiveness in order to consider the same or similar project for funding again. The project cannot be renewed or continued; instead, a new and complete application will be required. Please see your State's application process for more details.

How much money can be applied for?

There is no federal limit on the budget, although an individual State may have some constraints. However, the budget will be reviewed so it is expected to be consistent with the size and scope of the project.

Resources

[S&C Memo 12-13-NH](#)

[42 CFR Part 488](#)

[State Operations Manual](#)

[Section 1819 of the Social Security Act](#)

[Section 1919 of the Social Security Act](#)

[The Affordable Care Act \(Sec. 6111. Civil Money Penalties\)](#)