



Center for Clinical Standards and Quality

Ref: QSO-25-26-NH

DATE: September 26, 2025

TO: State Survey Agency Directors

FROM: Director, Quality, Safety & Oversight Group (QSOG) and Survey & Operations Group (SOG)

SUBJECT: Civil Money Penalty Reinvestment Program (CMPRP) Updates

Memorandum Summary

CMS is committed to reinvesting civil money penalty (CMP) funds in projects that support nursing home residents and protect or improve their quality of care and life. Therefore, we are updating the Civil Money Penalty Reinvestment Program (CMPRP), including:

- **CMPRP Application** – CMS has developed a standardized Application Form to streamline the review and approval process, ensuring consistency and reducing administrative burden.
- **Project Funding Cap** – CMS has increased per-project funding limits across all categories to account for inflation and program evolution, supporting enhanced quality improvement initiatives while encouraging more funding requests from nursing facilities.
- **Allowable Technology Parameters** - CMS has updated and clarified the allowable technology parameters to support high-quality resident-centered projects.
- **Mental and Behavioral Health Projects** - CMS is accepting applications for Mental and Behavioral Health projects following the conclusion of the Center of Excellence collaborative initiative with the Substance Abuse and Mental Health Services Administration.
- **Workforce Enhancement Projects** - CMS is accepting workforce enhancement project applications focused on improving competency, education, and training for direct care workers in nursing homes.
- **Project Results** – CMS is updating project reporting parameters to require demonstrated success in meeting project goals and objectives before allowing project duplication in other nursing homes or states, while streamlining reporting timelines and improving measurable outcomes.
- **State Plans: Public Posting Enhancement** – CMS is enhancing transparency by posting additional key elements of State Plans, including the State's CMP fund balance.

Background:

A Civil Money Penalty (CMP) is an enforcement remedy that CMS may impose against skilled nursing facilities (SNFs), nursing facilities (NFs), and dually-certified SNF/NF (nursing facility) for non-compliance with Medicare and Medicaid requirements of participation (42 CFR part 483, subpart B). Sections 1819(h)(2)(B)(ii)(IV)(ff) and 1919(h)(3)(C)(ii)(IV)(ff) of the Social Security Act (the Act) authorizes the collection and uses of CMPs imposed by CMS when nursing homes do not meet requirements for Long Term Care Facilities. A portion of the final CMP amount collected is returned to the state where the facility is located. In accordance with 42 CFR 488.433(a)-(b), these CMP funds must be reinvested in activities that improve the quality of care and the quality of life for nursing home residents.

In September 2023, CMS revised the structure of the CMPRP to enhance clarity, consistency, and accessibility to the application and funding process. Those initial revisions included defining application criteria, clarifying allowable and non-allowable uses of CMP funds, and establishing funding maximums. The goal was to ensure that applicants clearly understood the types of projects eligible for funding, prioritize initiatives that benefit residents, and ensure the program can be implemented across all nursing homes.

Building on this foundation, CMS has since implemented additional structural enhancements to improve efficiency, expand funding opportunities, and increase transparency. These updates collectively strengthen the CMS' ability to support high-quality resident-centered projects while ensuring accountability and transparency in the use of CMP funds.

CMPRP Applications

Project approvals are now centralized at CMS Baltimore, replacing the previous system, which was managed by individual CMS locations. This creates a single point of contact where the CMS CMPRP Team manages application intake, conducts final reviews and determinations, and issues decision letters.

Note: *CMS locations will continue to manage emergency fund utilization with states.*

Standardized Application

To promote an efficient process for the approval of CMP fund use, all applicants will use the same Application Form. Further, CMS is streamlining the application process by removing the extension and continuation categories. Therefore, all applicants will complete the same CMS-approved application and must include comprehensive project results from any previously approved projects when seeking funding to expand the project.

Note: *If you have already submitted an application to the CMS CMPRP Team and have not yet received a decision letter (approval, denial, or withdrawal recommendation) or other feedback, you do not need to resubmit your proposed project using the new Application Form.*

If you are submitting a new project application, please use the CMS-approved Application Form. While applicants may begin using the new application form immediately, the use of the CMS-approved application form will be required 45 days after the release date of this memorandum. This lead time is intended to support applicants, recognizing that proposals may require significant preparation and planning.

State Agency Role in the Application Submission and Review Process

Under 42 CFR § 488.433(e)(1), it is the State’s role to “*Solicit, accept, monitor, and track projects utilizing civil money penalty funds, including any funds used for state administration.*”

Applicants must submit proposed project applications to the appropriate State Agency (SA) for initial review. ***Only CMS-approved Application Forms will be accepted following the effective date noted below.*** The SA is responsible for reviewing the application to determine whether the proposed project meets state requirements, aligns with CMPRP policies and guidance, complies with the Federal Requirement (42 CFR §488.433), and demonstrates potential to benefit nursing home residents by enhancing quality of care or quality of life. Once the SA approves the completed application, they will forward it to the CMS CMPRP Team at info@cms.hhs.gov.

Note: *State Agencies will no longer be required to submit a letter of attestation for previously approved CMP-funded projects seeking expansion into a different set of nursing homes, as CMS will accept the state’s referral as a recommendation for the project’s approval. This also applies to new project applications.*

Project Updates

Project Funding Cap Adjustment

To ensure that project costs remain reasonable and that funding opportunities are available to all nursing homes nationwide, CMS established maximum funding amounts (i.e., caps) for eligible projects in September 2023. CMS recognizes the value of proposed project applications and the importance of supporting applicants in achieving their goals to improve the quality of care and quality of life for nursing home residents. In efforts to maintain program quality, support sustainability, and encourage more CMP-funding requests, CMS is increasing the per-project funding cap.

The maximum funding amount for each project category will be increased from \$5,000 to **\$6,000**. CMS remains committed to regularly reviewing and adjusting funding caps as necessary. This increase applies to the following project categories:

- Resident or Family Council;
- Consumer Information;
- Training to Improve Quality of Care; and,
- Activities to Improve Quality of Life.

Applicants must clearly demonstrate the necessity and reasonableness of all requested funds in their application and throughout the project duration. CMS will not automatically approve the maximum amount allowable for a project. CMS will consider requests that exceed established funding caps if a strong justification is provided. Exceptions may be granted at CMS’ discretion

on a case-by-case basis, particularly when a proposed project's potential to enhance resident care and quality of life is significant and evident.

Allowable Technology Parameters

CMS has updated and clarified the allowable technology parameters to better support high-quality resident-centered projects. Recognizing that technology plays a crucial role in creating a more engaging and supportive environment, CMS has expanded the allowable technology lists to align with program goals. These updates strengthen the CMPRP's ability to support beneficial technology innovations while maintaining accountability and responsible stewardship of resources.

Mental and Behavioral Health Projects

CMS is accepting applications for mental and behavioral health projects, ending the temporary pause implemented during the Center of Excellence for Behavioral Health in Nursing Facilities initiative to avoid duplicative funding. In September 2022, CMS partnered with the Substance Abuse and Mental Health Services Administration to launch a three-year national Center of Excellence. This initiative provided technical assistance and training to nursing homes nationwide to strengthen the delivery of high-quality, effective care for residents with behavioral health needs.

Following the conclusion of this initiative in September 2025, all training materials and resources will remain available to nursing homes through the Nursing Home Resource Center at [CMS.gov](https://www.cms.gov). CMS encourages facilities to continue utilizing these tools for staff development and enhanced behavioral health care delivery. The funding resumption provides applicants with opportunities to develop innovative behavioral health projects that build upon current efforts, ensuring the delivery of high-quality behavioral health services and supporting the unique needs of nursing home residents.

Workforce Enhancement Projects

CMS is accepting applications for workforce enhancement projects that focus on improving competency, education, and training for direct care workers in nursing homes and complement the Nursing Home Staffing Campaign (NHSC). The campaign is a targeted workforce enhancement initiative focused on increasing the number of nurses working in nursing homes through financial incentives and training opportunities.

Given the scope and objectives of the NHSC, CMS is accepting workforce enhancement project applications that provide improvements in areas such as staff training, culture change implementation, and professional development for frontline nursing home staff, including Registered Nurses, Certified Nursing Assistants, and Licensed Practical Nurses. These workforce enhancements directly benefit nursing home residents by improving the quality, consistency, and safety of their daily care, as they equip staff with enhanced skills and expertise.

CMP-funded workforce enhancement projects represent CMS's comprehensive approach to addressing workforce challenges in nursing homes. This funding resumption reflects CMS's dedication to enhancing the nursing home workforce and recognizes the vital role that frontline staff play in protecting residents while ensuring high-quality care. When nursing home staff receive enhanced training and professional development, residents experience improved health outcomes and an overall improved quality of care and life.

For more information on the Nursing Home Staffing Campaign, visit [CMS.gov](https://www.cms.gov) or contact NHSC@cms.hhs.gov.

Project Results Reporting Parameters

CMS is updating the project results reporting parameters to support more measurable outcomes and streamline reporting requirements. Applicants must submit results to the State Agency for review, following the reporting schedule outlined below:

- **Multi-year projects (two or three years):** Reporting is required at twelve- and twenty-four-month intervals following the project initiation. If an applicant submits a new application to expand a currently funded project, results must also be submitted by the ninth month of the final project year.
- **Single-year projects:** One-time reporting required at the end of the project. If an applicant submits a new application to expand a currently funded project, results must be submitted by the ninth month of the project year.

The results of a project must demonstrate that the applicant has successfully met the project's goals and objectives before duplicating the project in another nursing home or state. These results must be submitted as part of the application process for any subsequent projects or extensions.

CMS CMPRP Website

State Plans: Public Posting Enhancement

As part of its commitment to transparency, CMS is posting additional key elements of the State Plans on the CMS CMPRP website. The Summary of CMP-funded projects, currently posted, provides a comprehensive overview of funded projects. CMS will also post the State CMP Fund Balances, along with other applicable State Plan elements, to enhance transparency and accountability annually.

In accordance with 42 CFR 488.433(e), States must submit their State Plans for approval by October 31st of each year and the Project Tracking Sheet (Excel spreadsheet) by February 1st of each year to the CMS CMPRP Team at CMP-info@cms.hhs.gov.

CMPRP Resources

CMS has consolidated CMPRP-related resources to eliminate redundancy and improve the efficiency and accessibility of the funding process. Two comprehensive handbooks, the *Application Handbook* and the *State Plan and Project Tracking Handbook*, can be accessed on the [CMS CMPRP website](https://www.cms.gov) (in addition to other resources). All resources will be updated in accordance with the memo by October 6, 2025.

Contact:

For questions or concerns about this memorandum, please contact the CMS CMPRP Team: CMP-info@cms.hhs.gov.

Effective Date:

45 days after memorandum issuance. Please communicate to all appropriate staff immediately.

/s/

Karen L. Tritz
Director, Survey & Operations Group

David R. Wright
Director, Quality, Safety & Oversight Group

Resources to Improve Quality of Care:

Check out CMS's new Quality in Focus interactive video series. The series of 10–15 minute videos are tailored to provider types and aim to reduce the deficiencies most commonly cited during the CMS survey process, like infection control and accident prevention. Reducing these common deficiencies increases the quality of care for people with Medicare and Medicaid.

Learn to:

- *Understand surveyor evaluation criteria*
- *Recognize deficiencies*
- *Incorporate solutions into your facility's standards of care*

See the [Quality, Safety, & Education Portal Training Catalog](#), and select Quality in Focus

Get guidance memos issued by the Quality, Safety and Oversight Group by going to [CMS.gov page](#) and entering your email to sign up. Check the box next to “CCSQ Policy, Administrative, and Safety Special Alert Memorandums” to be notified when we release a memo.