

PUBLICATION

Reinvesting in Care: CMS Unveils Enhanced CMPRP Guidelines

Authors: Howard L. Sollins, Mary Grace Griffin

October 03, 2025

The Centers for Medicare & Medicaid Services (CMS) released a memorandum to state survey agency directors outlining significant updates to the Civil Money Penalty Reinvestment Program (CMPRP) on September 29, 2025. This program channels fines collected from noncompliant skilled nursing facilities (SNFs), nursing facilities (NFs), and dually certified SNF/NFs into initiatives that improve resident care and quality of life.

When facilities violate Medicare or Medicaid standards, CMS imposes Civil Money Penalties (CMPs). Through the CMPRP, a portion of these funds are reinvested into projects that benefit nursing home residents.

In September 2023, CMS revised the CMPRP structure to improve clarity, consistency, and accessibility. These changes defined application criteria, clarified allowable uses, set project caps, and established funding maximums. Now, CMS has taken further steps to strengthen the program.

Application Process Updates

One of the most notable changes is the centralization of project approvals in CMS's Baltimore office. This move creates a single, streamlined review and decision-making process for new project applications. While emergency fund requests will continue to be managed by CMS regional offices, all new proposals must now be submitted using a standardized CMS-approved application form. The previous categories for project extensions and continuations have been eliminated, and applicants seeking to expand existing projects must first demonstrate measurable success.

State Agencies (SAs) remain the initial point of contact for applicants. Proposals are submitted to the SA, which reviews them for compliance with federal and CMPRP requirements and evaluates their potential benefit to residents. Once approved, applications are forwarded to CMS for final review. Importantly, the requirement for separate state attestation letters has been removed; a referral from the SA now serves as sufficient endorsement.

Project Funding and Scope

CMS has adjusted funding caps to broaden opportunities for facilities. The maximum per-project cap has increased from \$5,000 to \$6,000. 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. Facilities may now receive up to \$18,000 across three separate three-year projects. In cases where a project demonstrates exceptional potential to improve resident care, CMS may approve funding beyond these caps, provided applicants can strongly justify their requests and maintain reasonable costs.

The scope of eligible projects has expanded as well. CMS now supports a wider range of technology uses that directly enhance resident-centered care. With the conclusion of the three-year Behavioral Health Center of Excellence in September 2025, funding for mental and behavioral health projects is once again available. Facilities are encouraged to leverage existing training resources from the Nursing Home Resource Center to strengthen new proposals in this area.

Workforce enhancement projects have also been added to the list of eligible initiatives. These projects align with the Nursing Home Staffing Campaign and focus on professional development, staff training, and improvements to workforce culture for direct care workers, including registered nurses (RNs), licensed practical nurses (LPNs), and certified nursing assistants (CNAs). By improving staff competency and consistency, these efforts aim to elevate the safety and quality of resident care.

Reporting Requirements

Reporting requirements to the state agency have been updated to ensure accountability and track progress. For multiyear projects, reports must be submitted at 12- and 24-month intervals, with an additional report in the final year if expansion funding is requested. Single-year projects require reporting at conclusion. Applicants must demonstrate measurable success before replicating or expanding projects.

Website and Transparency Enhancements

To further enhance transparency, CMS will now publish State CMP Fund Balances and additional State Plan elements on the CMPRP website. States are required to submit annual State Plans by October 31 and project tracking sheets by February 1. Updated resources, including new Application and State Plan Handbooks, will be available online by October 6, 2025.

These updates reflect CMS's ongoing commitment to streamlining the application process, increasing funding flexibility, expanding eligible project categories, and strengthening oversight. The goal remains clear: to ensure CMP funds are used effectively to drive measurable, resident-centered improvements in nursing home care and quality of life.

Baker Donelson will continue monitoring CMPRP developments. For assistance with funding opportunities at your facility, please contact [Howard L. Sollins](#), [Mary Grace Griffin](#), or any member of Baker Donelson's [Health Law](#) team.