



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

CHERYL ROBERTS  
DIRECTOR

SUITE 1300  
600 EAST BROAD STREET  
RICHMOND, VA 23219  
804/786-7933  
804/343-0634 (TDD)

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### MEMORANDUM

**TO:** The Honorable Luke E. Torian Chair,  
House Appropriations Committee

The Honorable Louise L. Lucas  
Chair, Senate Finance Committee

Michael Maul  
Director, Department of Planning and Budget

**FROM:** Cheryl Roberts  
Director, Virginia Department of Medical Assistance Services

**SUBJECT:** Annual Report: Civil Money Penalty Reinvestment Program (CMPRP) Funds

This report is submitted in compliance with the Item 292.P.5. of the 2024 Appropriation Act, which states:

*“By October 1 of each year, the department shall provide an annual report of the previous fiscal year that includes the amount of revenue collected and spending activities to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget.”*

Should you have any questions or need additional information, please feel free to contact me at (804) 664-2660.

CJR/wf  
Enclosure

Pc: The Honorable Janet V. Kelly, Secretary of Health and Human Resources

# Annual Report Civil Money Penalty Reinvestment Program (CMPRP) Funds

October 2024

## Report Mandate:

Item 292.P.1. of the 2024 Appropriation Act states: Out of this appropriation, \$6,035,000 the first year and \$6,035,000 the second year from special funds is appropriated to the Department of Medical Assistance Services (DMAS) for the disbursement of civil money penalties (CMP) levied against and collected from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision.

5. By October 1 of each year, the department shall provide an annual report of the previous fiscal year that includes the amount of revenue collected and spending activities to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget.

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## Executive Summary

In State Fiscal Year (SFY) 24, the Department of Medical Assistance Services (DMAS), with approval from the Centers for Medicare and Medicaid Services (CMS), continued administration of the Civil Money Penalty Reinvestment Program (CMPRP) overseeing the activities and funding of special projects to improve quality of care and quality of life for residents of nursing facilities (NFs) in the Commonwealth.

Projects active in SFY24 include those approved by CMS in previous SFYs as well as the CMS initiatives launched in response to COVID-19. However, due to a program pause and changes to the program at the federal level, DMAS did not initiate any new contracts in SFY23 for projects beginning in SFY24.

CMP Reinvestment projects may be awarded funds for up to three (3) years. Funding past the first year is contingent upon results and deliverables. During SFY24, eleven previously approved projects continued activities improving the quality of life for individuals residing in Virginia's NFs. Two of the eleven

projects concluded during SFY24, and two projects were approved by the agency for no-cost extensions. Approximately 155 of Virginia’s 289 NFs (about 54%) participated in at least one CMPRP project in SFY24.

SFY24 CMPRP Special Projects (Item 292 P.3) at a Glance		
Number of Projects	Expenditures	NFs Participating
11	\$1,848,288	155

Expenditures during SFY24 include funds spent on active projects, project invoices from previous fiscal years paid in the current fiscal year, and costs associated with administering the program.

SFY24 Expenditures	
Current Projects	\$ 1,668,452
Payments for Prior Year Activities	68,361
Administrative Costs	111,475
<b>Total</b>	<b>1,848,288</b>

On July 1, 2023, the CMP Fund was \$13,666,534. During the year, NF penalty payments received totaled \$1,325,275. Fund expenditures totaled \$1,848,288. Net accounts payable accruals to clear in SFY25 totaled \$53,492. This resulted in a year-end balance of \$13,090,029 in the CMP Fund.

SFY24 CMP Fund Balance	
Beginning Balance, July 1, 2023	\$ 13,666,534
Penalties Received	1,325,275
Expenditures	(1,848,288)
Net Accounts Payable Accruals	(53,492)
<b>Ending Balance, June 30, 2024</b>	<b>13,090,029</b>

## CMS Issues Significant Revisions to the CMP Reinvestment Program

In March of SFY23, CMS notified DMAS that the review and approval of new program funding would be paused nationwide while CMS restructured the CMP Reinvestment Program. This notification came less than two weeks after DMAS received twelve project proposals requesting a total of \$6,986,185 over three years in response to the SFY24 Request for Applications (RFA) for potential CMP Reinvestment projects. CMS resumed accepting project applications in September 2023 upon release of a memo to states outlining the revisions to the program that included the creation of funding limits and additional prohibited uses of funds.

Due to the significant changes to the program, state-level program materials and processes were revised. In February 2024, DMAS issued a new RFA for the use of CMP reinvestment funds

for projects beginning in SFY25. Applications submitted prior to the pause were asked to resubmit if the proposed project was able to be revised to meet the new guidance. Resubmitted and new applications are awaiting final determination.

Also impacted by the revisions to the program was the Nursing Facility Quality Improvement Program (NFQIP) to be designed and implemented by DMAS in alignment with Item 292.P.4. of the 2024 Appropriation Act. The initial framework of the NFQIP centered on addressing capacity building and workforce shortages in NFs. The new CMPRP guidance explicitly prohibits the use of CMP Reinvestment funds for workforce projects. Thus, the NFQIP has undergone a redesign and, pending CMS approval, is expected to begin by the end of calendar year 2024.

## **Relocation Expenses**

As required by CMS Program guidance, the Commonwealth has set aside \$1,000,000 to be utilized to cover emergency assistance, including support and protection of residents of a facility that closes (voluntarily or involuntarily) or is decertified (including offsetting costs of relocating residents to home and community-based settings or another facility, etc.), or other appropriate emergency needs.

## **Special Initiatives in Response to COVID-19 Updates**

Beginning in 2020, CMS launched three special initiatives in response to the COVID-19 pandemic: 1) Communicative Technology Initiative, 2) In-Person Visitation Aid Initiative-I (for purchase of tents for outdoor visitation and/or clear dividers) and 3) In-Person Visitation Aid Initiative-II (for purchase of portable fans and room air cleaners). NFs could request up to \$3,000 in CMP funds per facility for each initiative.

Authority from CMS to use CMPRP funds for these initiatives continued throughout SFY24. During which, DMAS received and approved three applications for portable fans/air cleaners and disbursed \$9,000, providing a direct benefit to 251 NF residents. DMAS did not receive applications for the communicative technology or the in-person visitation-I initiatives during SFY24.

## **Projects Completed in SFY24**

The following CMPRP projects concluded during SFY24:

### **Positive Approach to Care**

Riverside Center for Excellence in Aging and Lifelong Health (CEALH) concluded the three-year implementation of Positive Approach to Care® (PAC), an evidenced-based, person-centered, dementia-specific model of care. Three Riverside campuses trained and certified staff members in various levels of PAC (Trainers, Coaches, Champions) to improve the quality of care for their

residents with dementia.

- **Total Award/Total Expenditures** - Awarded \$263,703 spread over 3 years; expended 94% of award (\$246,573) from start of project-final payment (SFY25 budget).
- **SFY Expenditures**- Expended \$54,055 in SFY24.
- **Supported Activities**- Over 3 years, funding supported the training of staff in Positive Approach to Care (PAC) across 3 Riverside campuses- 85 certified PAC Champions, 18 certified PAC Trainers, and 14 certified PAC Coaches.
- **Benefit to NF Residents**- NF residents with dementia benefit when staff engage with them using a person-centered approach.

## Next Steps in Dementia Care

TMF Health Quality Institute concluded its two-year project Next Steps in Dementia Care (NSDC) during SFY24. NSDC is a staff training on methods to improve communication, reduce the incidence of expressions of distress, increase the opportunity for pleasant events, and apply person-centered care approaches when working with people with dementia (PWD).

- **Total Award/Total Expenditures**- Awarded \$682,185 spread over 2 Years; expended 88% of award (\$604,246) from start of project-final payment (SFY25 budget).
- **SFY Expenditures**- Expended \$227,722 in SFY24.
- **Supported Activities**- Over 2 years, funding supported the training of 433 staff members across 34 Virginia NFs in NSDC.
- **Benefit to NF Residents**- NF residents with dementia benefit when staff engage with them using a person-centered approach.

## Projects Granted No-Cost Extensions in SFY24

The following two projects were granted no-cost extensions beyond their original completion date of June 30, 2024, to complete project activities and deliverable:

### Opening Minds Through Art

Leading Age Virginia will continue to implement *Opening Minds through Art* (OMA) through September 21, 2024. OMA is an intergenerational art group for older adults living with dementia. Group sessions are led by NF staff and involve volunteers partnering with residents to create abstract art pieces.

- **Total Award/Total Expenditures**- Awarded \$1,083,382 spread over 3 years; expended 77% of Award (\$834,470) from start of project - SFY24.

- **SFY Expenditures-** Expended \$328,912 in SFY24.
- **Supported Activities-** In SFY24, funding supported the training and certification of 63 NF staff in OMA, start-up art supplies for 24 OMA certified NF locations, and program administration by Leading Age.
- **Benefit to NF Residents-** Participation in OMA decreases social isolation and increases confidence through self-expression without expectation.

### Development of a Trauma-informed Care: Resilience and Well-Being Toolkit

VCU Gerontology will continue developing the content for a stakeholder-designed *Trauma-informed Care: Resilience and Well-being Toolkit* through October 31, 2024, to allow for individualization of the toolkit for each facility. The final toolkit will be designed and built as an accessible, user-friendly digital product containing various best-practice resources and tools that users can download and apply to their communities.

- **Total Award/Total Expenditures-** Awarded \$552,591 spread over 3 years; expended 82% of Award (\$453,512) from start of project - SFY24.
- **SFY Expenditures-** Expended \$241,915 in SFY24.
- **Supported Activities-** In SFY24, funding supported VCU with designing, building, and pilot testing toolkit content and the website.
- **Benefit to NF Residents-** NF staff will have access to best practice resources offered through the toolkit equipping them to provide residents with quality care.

### Ongoing Funded Projects

The following CMPPR projects were active prior to the start of SFY24 and will continue project activities into SFY25 in agreement with the terms of their original contract:

#### Reading2Connect Program

The Age-u-cate Training Institute continued to implement Reading2Connect, a program centered on books adapted for adults living with dementia. The program integrates into the life enrichment programs of participating nursing facilities, fostering resident-centered and resident-directed activities.

- **Total Award/Total Expenditures-** Awarded \$445,071 spread over 3 years; expended 72% of Award (\$321,272) from start of project - SFY24.
- **SFY Expenditures-** Expended \$170,998 in SFY24.
- **Supported Activities-** In SFY24, funding supported the online training of 14 individuals to become Reading2Connect Coaches in six of 15 participating NFs. Since the program commenced, 753 residents have engaged with Reading2Connect.
- **Benefit to NF Residents-** Of the 753 residents, 28% (n=217) have exhibited increased interest in participating in activities, which is just under the project goal of 30%.

Evidence supports that the program promotes well-being by alleviating emotional distress.

## Companion Animals for Nursing Facility Residents

Goodwin Living's project coordinates monthly animal vendor visits to 4 NFs. The animal interactions address loneliness and social isolation experienced by residents.

- **Total Award/Total Expenditures-** Awarded \$144,680 spread over 3 years; expended 54% of Award (\$78,076) from start of project - SFY24.
- **SFY Expenditures-** Expended \$56,000 in SFY24.
- **Supported Activities-** In SFY24, funding supported monthly visits to four NFs with anywhere from 7-25 residents attending each visit.
- **Benefit to NF Residents-** Residents participating in visits have shown improvements in affect, attention, engagement, and verbal and non-verbal communication.

## Addressing the Impacts of Social Isolation with the StrongerMemory Program

Goodwin Living and Health Quality Innovators (HQI) continue to coordinate the implementation of the StrongerMemory program at participating NFs. These NFs facilitate group sessions during which residents participate in activities that stimulate the brain such as simple math, reading aloud, and writing by hand. The goal of the program is to alleviate the cognitive decline many residents experienced during the COVID-19 pandemic.

- **Total Award/Total Expenditures-** Awarded \$324,908 spread over 3 years; expended 50% of Award (\$152,489) from start of project - SFY24.
- **SFY Expenditures-** Expended \$61,657 in SFY24.
- **Supported Activities-** In SFY24, thirty-two NFs and 209 residents participated in StrongerMemory.
- **Benefit to NF Residents-** About three-quarters of residents that have completed the StrongerMemory program evaluation have reported improvement in cognitive function.

## Therapeutic Equine Experience

Goodwin Living's project coordinates visits for 4 NFs to regularly visit an equine farm.

- **Total Award/Total Expenditures-** Awarded \$384,000 spread over 3 years; expended 56% of Award (\$216,550) from start of project - SFY24.
- **SFY Expenditures-** Expended \$141,275 in SFY24.
- **Supported Activities-** In SFY24, funding supported thirty weekly visits for each of four participating facilities with three to four residents attending each visit.
- **Benefit to NF Residents-** Residents that attended visits demonstrated improvement in mood, indicating the program is an effective non-pharmacological intervention.



## The SNFClinic Project

Long-Term Care Consultants' (LTCC) SNFClinic Project is designed to address the issue of training current and new hires in an environment of high turnover rates. Participating NFs are provided subscriptions to the SNFClinic program, which is a centralized technology-based system for training, staff management, and resident care resources.

- **Total Award/Total Expenditures-** Awarded \$738,750 spread over 3 years; expended 58% of Award (\$427,050) from start of project - SFY24.
- **SFY Expenditures-** Expended \$264,400 in SFY24.
- **Supported Activities-** In SFY24, funding supported facility improvement in an average of 59% of Minimum Data Set (MDS) quality measures (QMs). This is up from 49% in the final quarter of SFY23.
- **Benefit to NF Residents-** Improvement in MDS QMs is a direct indication in improvements in the quality of care being provided to residents.

## iN2L (It's Never Too Late) Equipment and Software

Sitter-Barfoot and Davis & McDaniel Veterans Care Centers continue to incorporate the iN2L equipment and programs into resident activities. The iN2L touchscreen televisions and computers offer programs that can be personalized to resident interests, increasing engagement in person-centered experiences that enhance quality of life.

- **Total Award/Total Expenditures-** Awarded \$71,899 at each facility spread over 3 years; Both NFs have expended 85% of Award (\$60,759) from start of project - SFY24.
- **SFY Expenditures-** Expended \$121,518 in SFY24 (\$60,759 per facility).
- **Supported Activities-** In SFY24, funding supported the purchase of iN2L equipment, annual subscriptions, set up, and onboarding.
- **Benefit to NF Residents-** Engaging with the iN2L equipment and programs addresses psychosocial and cognitive needs, enhancing quality of life.

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## About DMAS and Medicaid

The mission of the Virginia Medicaid agency is to improve the health and well-being of Virginians through access to high-quality health care coverage. The Department of Medical Assistance Services (DMAS) administers Virginia's Medicaid and CHIP programs for over 2 million Virginians. Members have access to primary and specialty health services, inpatient care, dental, behavioral health as well as addiction and recovery treatment services. In addition, Medicaid long-term services and supports enable thousands of Virginians to remain in their homes or to access residential and nursing home care.

Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility



rules to make health care coverage available to more than 600,000 newly eligible, low-income adults.

Medicaid and CHIP (known in Virginia as Family Access to Medical Insurance Security, or FAMIS) are jointly funded by Virginia and the federal government under Title XIX and Title XXI of the Social Security Act. Virginia generally receives an approximate dollar-for-dollar federal spending match in the Medicaid program. Medicaid expansion qualifies the Commonwealth for a federal funding match of no less than 90% for newly eligible adults, generating cost savings that benefit the overall state budget.