



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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MEMORANDUM

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

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations 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 Item 292.P.5. of the 2025 Appropriations 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.

CR/wf
Enclosure

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

Annual Report Civil Money Penalty Reinvestment Program (CMPRP) Funds

October 2025

Report Mandate:

Item 292.P.5. of the 2025 Appropriation Act 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.

Executive Summary

In State Fiscal Year (FY) 2025, 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. In addition to the CMPRP, DMAS sought and gained approval from CMS to use CMP reinvestment funds to carry out training opportunities for nursing facility staff under the Nursing Facility Quality Improvement Program (NFQIP).

Activities at the federal level have directly impacted CMPRP projects and the NFQIP in Virginia over the last three FYs. Most recently, CMS did not approve and project proposals or continuations between January

and June 2025. Projects approved prior to January 2025 were not impacted directly, but the annual solicitation for new projects was delayed. The federal pause and restructuring of the program in FY23 and FY24 did directly impact projects that began activities in FY25. These projects were held to different funding parameters than those previously awarded funds.

Specifics about these parameters can be found in last year's report¹. This is reflected in the smaller budget and scope of projects funded after the new guidance in the list of projects below. The revisions to the program also impacted the timeline and framework of Nursing Facility Quality Improvement Program (NFQIP) to be designed and implemented by DMAS in alignment with P. 4 of Item 292. The larger program now comprises a series of smaller training projects with staggered starts due to changes in allowable uses and the CMS approvals process.

On July 1, 2024, the CMP Fund was \$13,090,029.26. During the year, NF penalty payments received totaled \$1,870,203.79. Fund expenditures totaled \$1,041,357.87.

Net accounts payable accruals to clear in SFY26 totaled (\$78,404.02). This resulted in a year-end balance of \$13,840,471.16 in the CMP Fund.

SFY 25 CMP Fund Balance	
Beginning balance as of July 1, 2024	\$13,090,029.26
Penalties Received	\$1,870,203.79
Expenditures	(\$1,041,357.87)
Net Accounts Payable	(\$78,404.02)
Ending Balance	\$13,840,471.16

Fund Balance and Spending Activities

Expenditures during FY25 include funds spent on: i) active CMRPRP projects; ii) active NFQIP projects; iii) projects from previous years granted extensions; iv) project invoices from previous fiscal years paid in the current fiscal year; v) and costs associated with administering the program.

SFY 25 Expenditures	
Active CMRPRP Projects, including projects granted no cost extensions	\$999,693.99
Active NFQIP Projects	\$17,665.24
Project Invoices from Previous fiscal years	\$21,832.14
Administrative Costs	\$2,166.50
Total	\$1,041,357.87

CMRPRP Overview

CMP Reinvestment projects may be awarded funds for up to three years. Funding past the first year is contingent upon results and deliverables. Sixteen CMRPRP projects were active in FY25. Two of these were contracted to conclude activities in the previous FY but were granted no-cost extensions of their work into early FY25. Of the remaining 14 projects, seven ended at the close of FY25 and the other seven were newly approved during FY25. Approximately 124 of Virginia's 290 NFs (about 43%) participated in at least one CMRPRP project in FY25. Of the 124 participating facilities, 38% (n=47) have overall quality ratings of one- or two-stars through the CMS Five-Star Quality Rating System.

SFY25 CMRPRP Active Projects (Item 292 P.3) at a Glance		
Number of Projects	Funds Expended	NFs Participating
16	\$999,693.99	124

NFQIP Overview

NFQIP projects differ from traditional projects in that DMAS is the entity approved by CMS to use CMP reinvestment funds. Per CMS, projects carried out by state agencies must adhere to different funding parameters. However, like those in the CMPRP, these projects may also be awarded up to three years of funding. Virginia's NF QIP provides resources to the Commonwealth's nursing facilities and nursing facility staff to support efforts to improve the quality of life and quality of care for residents. During FY25, DMAS executed two Interagency Agreement (IAG) appendices with Virginia Commonwealth University (VCU) to develop and deliver trainings for NF staff. These training courses will be open to all NFs in the Commonwealth but were under development in FY25.

SFY25 NFQIP Projects (Item 292 P.4) at a Glance	
Number of Projects	Funds Expended
2	\$17,665.24

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.

CMPRP Projects Completed in SFY25

The following nine CMPRP projects concluded during FY25, the first two listed below were granted no-cost extensions into FY25:

Opening Minds Through Art

LeadingAge Virginia concluded implementation of *Opening Minds through Art* (OMA) on 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 over three years; Expended 95% of Award (\$1,027,894) from start of project to final payment.
- **SFY Expenditures-** Expended \$193,424 in FY25.
- **Supported Activities-** Over three years, funding supported the training and certification of 173 NF staff in OMA facilitation, start-up art supplies for 81 OMA-certified NF locations, and program administration by LeadingAge Virginia.

- **Benefit to NF Residents-** Over 1,796 residents were engaged in OMA sessions over the course of the project. Participation in OMA decreases social isolation and increases confidence through self-expression without expectation. Through the training, OMA volunteers and facilitators learn ways to relate to and gain empathy for individuals with dementia, which translates into their interactions with residents.

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

VCU Gerontology wrapped up the creation and individualization of their stakeholder-designed *Trauma-informed Care: Resilience and Well-being Toolkit* on October 31, 2024. The final toolkit is 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 over three years; Expended 99% of Award (\$552,472) from start of project to final payment.
- **SFY Expenditures-** Expended \$98,961 in FY25.
- **Supported Activities-** Over three years, funding supported the design, construction, and pilot testing of the 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.

Reading2Connect Program

Age-u-cate Training Institute concluded implementation of the Reading2Connect program in 29 NFs on June 30, 2025. The program centers on books adapted for adults living with dementia and can be integrated into the life enrichment programs of participating nursing facilities, fostering resident-centered and resident-directed activities.

- **Total Award/Total Expenditures-** Awarded \$445,071 over three years; Expended 91% of Award (\$403,388) from start of project through FY25. Final payment of \$3,578 will come out of FY26 budget.
- **SFY Expenditures-** Expended \$82,117 in FY25.
- **Supported Activities-** Over three years, funding supported staff from 29 NFs with resources and training to lead Reading2Connect activities. Since the program commenced, 853 residents engaged in Reading2Connect.
- **Benefit to NF Residents-** Of the 853 residents, 36% (n=318) exhibited increased interest in participating in activities, which meets 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 concluded the coordination of monthly animal vendor visits to four NFs. The animal interactions address loneliness and social isolation experienced by residents.

- **Total Award/Total Expenditures-** Awarded \$144,680 over three years; Expended 92% of Award (\$133,076) from start of project through FY25. Final invoice for the project will come from the FY26 appropriation.
- **SFY Expenditures-** Expended \$55,000 in FY25.
- **Supported Activities-** Over three years, funding supported monthly visits to four NFs with up to 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) concluded the implementation of the StrongerMemory program at 91 participating NFs. These NFs facilitated group sessions during which residents participated in activities that stimulated 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 over three years; Expended 71% of Award (\$231,083) from start of project through FY25. Final payment of \$18,287 will come out of FY26 budget.
- **SFY Expenditures-** Expended \$78,594 in FY25.
- **Supported Activities-** Over three years, 91 NFs (goal of 100) and 862 residents (goal of 750) participated in StrongerMemory.
- **Benefit to NF Residents-** Three-quarters of residents that have completed the StrongerMemory program evaluation have reported improvement in cognitive function.

Therapeutic Equine Experience

Goodwin Living completed the coordination of regular equine farm visits for four NFs. Equine therapy can help reduce the risk of depression, anxiety, stress and loneliness for residents.

- **Total Award/Total Expenditures-** Awarded \$384,000 over three years; Expended 85% of Award (\$326,650) from start of project through FY25.
- **SFY Expenditures-** Expended \$110,100 in FY25.
- **Supported Activities-** Over three years, funding supported 30 weekly visits for each of the 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) wrapped up the SNFClinic Project. Designed to address the issue of training current and new hires in an environment of high turnover rates, SNFClinic is a

centralized technology-based system for training, staff management, and resident care resources. Participating NFs are provided with subscriptions to SNFCLinic.

- **Total Award/Total Expenditures-** Awarded \$738,750 over three years; Expended 92% of Award (\$677,850) from start of project - FY25. A final payment of \$22,800 will come from the FY26 budget.
- **SFY Expenditures-** Expended \$250,800 in FY25.
- **Supported Activities-** Over three years, funding supported annual subscriptions for 24 NFS with either 1-, 2-, or 3-star ratings through the CMS Five-Star Quality Rating System.
- **Benefit to NF Residents-** Of the participating facilities, 95.8% improved in at least one MDS QM used to measure improvement in overall quality of care. The average facility improved in 43.9% of their QMs. Improvement in MDS QMs is a direct indication of improvements in the quality of care being provided to residents.

iN2L (It's Never Too Late) Equipment and Software (2 Projects)

Both Sitter-Barfoot Veterans Care Center and Davis & McDaniel Veterans Care Centers concluded their separate but similar iN2L projects. The iN2L touchscreen televisions and computers offer programs that can be incorporated into resident activities and personalized to resident interests, increasing engagement in person-centered experiences that enhance quality of life.

- **Total Award/Total Expenditures-** Each project awarded \$71,899 over three years; Both projects expended 85% of Award (\$60,759) from start of project - FY25. A final payment of \$11,140 to each project will come from the FY26 budget.
- **SFY Expenditures-** Expended \$0 in FY25. Invoices from both projects for this period are pending and will come out of the FY26 appropriation.
- **Supported Activities-** Over three years, funding supported the purchase of iN2L equipment, annual subscriptions, set up, and onboarding at two NFs. (One NF per project)
- **Benefit to NF Residents-** Engaging with the iN2L equipment and programs addresses psychosocial and cognitive needs, enhancing quality of life.

FY25 RFP Cycle Funded CMPRP Projects

Approved to use CMP reinvestment funds beginning in FY25, the following seven projects were the first CMPRP projects approved in Virginia under the new federal guidance.

Cognitive Wellness Environment

Saber Health Care's *Cognitive Wellness Environment Project* enhances the therapeutic memory care environments of four participating NFs by offering residents with dementia opportunities

to reminisce using life skills stations in “roles” they once performed, and by providing sensory equipment to create a calming space within the memory care neighborhood.

- **Total Award/Total Expenditures-** Awarded \$18,760 over one year; Expended 0% of Award from start of project – FY25. Payment of \$16,717.57 will come out of FY26 budget.
- **SFY Expenditures-** Expended \$0 in FY25. Invoices for this period are pending and will come out of the FY26 appropriation.
- **Supported Activities-** In FY25, funding (invoices pending) supported the implementation of life skills stations in three of the four NFs.
- **Benefit to NF Residents:** Participating residents have demonstrated greater interest and participation in daily activities. Family and staff reported noticing positive shifts in residents’ behavior, mood, and interpersonal interactions. At the conclusion of FY25, data from the Patient Health Questionnaire and MDS measures are pending.

The Java Project: Addressing Social Isolation and Loneliness

The goal of the Java Project is to improve the quality of life for residents in NFs by decreasing loneliness and social isolation through the implementation of three evidence-based, standardized, peer-support activity programs. LeadingAge Virginia will implement the three activities at 17 nursing facilities over three years- JAVA Music in year one, JAVA Memory in year two, and JAVA Mentorship in year three.

- **Total Award/Total Expenditures-** Awarded \$253,485 over three years; Expended 31% of Award (\$79,726) in FY25.
- **SFY Expenditures-** Expended \$79,726 in FY25.
- **Supported Activities-** In FY25, funding supported training at 17 NFs in the JAVA Music activity, of which, 12 NFs conducted a combined total of 291 Java Music sessions with a combined total of 481 participants.
- **Benefit to NF Residents-** Java Music outcomes demonstrated a 27% decrease in Social Isolation and 25% decrease in Loneliness, with a 31% increase in Happiness among observed residents.

Dementia Live: A Foundational Experiential Education Tool Leading to Competent and Empathetic Care Partners for Persons Living with Dementia

Dementia Live is an experiential education program delivered by Age-u-cate Training Institute that simulates cognitive and sensory impairments, giving participants a real-life in-their-shoes experience of what it feels like living with dementia. Over the course of one year, staff at ten nursing facilities will be guided through Dementia Live by facility-appointed coaches who complete a 6-hour online training program that equips them to be authorized Dementia Live coaches.

- **Total Award/Total Expenditures-** Awarded \$49,394 for the period of October 1, 2024 - September 30, 2025. Expended 77% of Award (\$37,832) from start of project – FY25.
- **SFY Expenditures-** Expended \$37,832 in FY25.
- **Supported Activities-** In FY25, funding equipped nine NFs with Dementia Live training materials.
- **Benefit to NF Residents-** Residents with dementia benefit when staff engage with them using a person-centered approach.

SNFClinic Extension Project

Designed to address the issue of training current and new hires in an environment of high turnover rates, SNFClinic is a centralized technology-based system for training, staff management, and resident care resources. Participating NFs are provided with subscriptions to SNFClinic. This project extends LTCC's previously approved project to one more facility for three years.

- **Total Award/Total Expenditures-** Awarded \$14,940 over three years; Expended 0% of Award from start of project – FY25.
- **SFY Expenditures-** Expended \$0 in FY25. Project reporting attributes the lack of spending to a delayed program start to recruit a new NF to participate after the originally committed NF dropped from the project.
- **Supported Activities-** Funding will support an annual subscription to SNF Clinic for one NF.
- **Benefit to NF Residents-** Improvement in MDS QMs is a direct indication of improvements in the quality of care provided to residents.

Dementia Certified Practitioner Training

Friendship Foundation's training courses will address the gap in the number of staff who specialize in working with individuals with dementia. Over three years, 90 staff from three Friendship facilities (30 staff from each facility) will be trained and become Certified Dementia Practitioners (CDPs). Of those trained as CDPs, 12 staff will be trained to become Certified Alzheimer's Disease and Dementia Care Trainers (CADDCTs).

- **Total Award/Total Expenditures-** Awarded \$40,620 over 3 years. Expended 32% of Award (\$13,140) from start of project – FY25.
- **SFY Expenditures-** Expended \$13,140 in FY25.
- **Supported Activities-** In FY25, funding supported Certified Dementia Practitioner (CDP) training for 26 staff across three Friendship facilities. Four of those trainees also became Certified Alzheimer's Disease and Dementia Care Trainers (CAADCTs) who will train other staff.

- **Benefit to NF Residents-** NF residents with dementia benefit when staff engage with them using a person-centered approach.

Memory Care Enhancements (2 Projects)

Davis and McDaniel Veterans Care Center and Sitter Barfoot Veterans Care Center were funded separately for similar projects to enhance their respective memory care units by purchasing sensory items that reduce loneliness and ease anxiety of memory care residents.

- **Total Award/Total Expenditures-** Awarded \$4,912.96 and \$4,968.05 respectively, for the one-year period of October 1, 2024-September 30, 2025); Expended 0% of Award from start of project - FY25
- **SFY Expenditures-** Expended \$0 in FY25.
- **Supported Activities-** At the Davis and McDaniel Veterans Care Center, 13 residents have been selected to participate in the project, however the items had not yet been ordered at the close of the FY. At Sitter and Barfoot Veterans Care Center, the sensory items were purchased, and 30 residents have engaged with the items.
- **Benefit to NF Residents-** The sensory items are intended to provide cognitive, physical, social, and sensory stimulation to improve mood and reduce anxiety in residents. The Sitter Barfoot project reports that 20 participating residents demonstrated positive behavior changes in FY25.

The Nursing Facility Quality Improvement Program (NFQIP)

DMAS has partnered with VCU Gerontology to provide trainings, conferences, technical assistance, and other supports to NFs to improve quality with the use of CMS approved CMP funds. In FY25, DMAS submitted three applications to CMS to use funds for training projects under the NFQIP. All three were approved, and two appendices to IAG with VCU were executed to allow for work to begin on implementing the first two approved projects.

Person Centered Trauma-informed Care Training Series

This series, created in collaboration with VCU Gerontology, will offer 15 distinct self-paced virtual trainings on person-centered, trauma-informed care, equipping nursing facility staff with the ability to respond to the unique needs of the dynamic and diverse nursing facility resident population. This training will be open to all staff at all 290 NFs in the Commonwealth. DMAS has been awarded \$260,100 over three years to conduct this training series. At the close of FY25, \$17,665 had been expended to modify existing content for the online, self-guided format. The content was not available to NFs by the close of the FY, so participation and benefit to NFs was not measurable.

Rethinking Dementia Care: Learning and Relearning, Training for Multiple Facilities or Facilities and Surveyors.

This three-year virtual dementia care training program aims to enhance the quality of dementia care in 290 NFs by equipping staff at all levels with innovative, evidence-based knowledge and practical strategies. The training, offered via 12 live webinars, will foster a culture of learning and listening by integrating the voices and experiences of people with dementia and direct care providers with experience in caring for people with dementia in long-term care settings. One month after each webinar, participants can come back together with experts in a “Huddle Up” session to ask questions, share successes and challenges, and learn from others. The live webinars and Huddle Ups will be recorded as well. While extensive work was done on this training series in the second half of FY25, the webinars had not yet begun by the close of the FY. And no CMP Funds were expended during the FY for this project.

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.

ⁱ <https://rga.lis.virginia.gov/Published/2024/RD523/PDF>