

CHAPTER 25: Civil Monetary Penalty (CMP) / State Civil Penalty Reinvestment Program (SCPRP)

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Overview

The Civil Money Penalty (CMP) Reinvestment Program and the State Civil Penalty Reinvestment Program (SCPRP) are grant programs that allow the department to reinvest money collected through civil penalties into programs that benefit residents.

CMP: A federal CMP is a monetary penalty the Centers for Medicare and Medicaid Services (CMS) may impose against Nursing Homes (NHs) for not being in substantial compliance with certain Medicare or Medicaid participation requirements. After CMPs are collected, CMS sends a portion back to the state. The state must reinvest these funds to support projects that benefit nursing home residents and that protect or improve their quality of care (QOC) or quality of life (QOL).

SCPRP: A state CMP is a monetary fine imposed when an Adult Family Home (AFH) or Certified Community Residential Services and Supports (CCRSS) provider is noncompliant with the requirements of their respective chapter statute, rules, or other state and federal laws. All receipts from state civil penalties are deposited into an account in the custody of the state treasurer and the department shall use the special account only for promoting the QOC/QOL of residents living in AFHs or clients receiving care and services from CCRSS providers.

The following Revised Code of Washington (RCW), Washington Administrative Code (WAC) chapters, and federal laws and regulations authorize the Department of Social and Health Services (DSHS) to collect and reinvest civil money penalty funds to improve QOC/QOL for residents living in AFHs and NHs and clients receiving care and services from CCRSS providers:

- SECTIONS [§ 1819](#) AND [§ 1919](#) OF THE SOCIAL SECURITY ACT
- [42 CFR § 488.433](#)
- [CHAPTER 70.128 RCW ADULT FAMILY HOMES](#)
- [CHAPTER 70.129 RCW LONG-TERM CARE RESIDENT RIGHTS](#)
- [CHAPTER 71A.12 RCW STATE SERVICES](#)
- [CHAPTER 74.34 RCW ABUSE OF VULNERABLE ADULTS](#)
- [CHAPTER 388-76 WAC ADULT FAMILY HOMES \(AFH\)](#)
- [CHAPTER 388-101 WAC CERTIFIED COMMUNITY RESIDENTIAL SERVICES AND SUPPORTS \(CCRSS\)](#)
- [CHAPTER 388-101D WAC REQUIREMENTS FOR PROVIDERS OF RESIDENTIAL SERVICES AND SUPPORTS](#)

These procedures are not covered by [DSHS Administrative Policies](#) as they are specific to Residential Care Services. These procedures will be reviewed for accuracy and compliance at least every five years.

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Contacts

- CMP Program General Contact, CMApplications@dshs.wa.gov
- SCPRP Program General contact, SCPRPprogram@dshs.wa.gov
- RCS Quality Improvement Unit General Contact, ImproveRCS@dshs.wa.gov

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Background

CMP: A federal CMP may be imposed against NHs for not being in substantial compliance with certain Medicare or Medicaid participation requirements for long-term care facilities. Sections [§ 1819](#) and [§ 1919](#) of the Social Security Act incorporate specific provisions of the Patient Protection and Affordable Care Act pertaining to the collection and uses of CMPs, as a portion is sent back to the state. The Act and regulation provide that CMP funds may be used to support activities that protect or improve the QOC/QOL for residents.

SCPRP: The department may take action, including imposing state civil penalties (fines) when the department finds an AFH or CCRSS provider is non-compliant with applicable chapters of RCW, WAC, other federal, state, and local laws, requirements or ordinances. All receipts from civil penalties are deposited into a specific account and the department shall use this account only for promoting QOL/QOC of residents and clients living in the respective settings.

Both: RCS awards these funds through a contracting process as grants to approved applicants. NH, AFH, and CCRSS providers, stakeholders, and other organizations are encouraged to submit CMP/SCPRP grant applications for the development and implementation of quality improvement initiatives that directly or indirectly benefit NH, AFH, and CCRSS residents/clients.

Criteria

CMP: The CMP grant funds are only available for NHs.

SCPRP: SCPRP funds are only available for AFHs and CCRSS settings.

Project proposals should demonstrate current and sound evidence-based practices that promote the QOC and QOL of residents or clients. CMP and SCPRP grant funds may be used to support activities that protect or improve the QOC or QOL for residents and clients that may include any of the following:

- Assistance to support and protect residents/clients of a facility or home that closes or is decertified.
- Time-limited expenses incurred in the process of relocating residents to home and community-based settings (HCBS) or another facility/home when a facility or home is closed or downsized pursuant to an agreement with the State Medicaid Agency.
- Projects that support resident/client and family councils and other resident/client involvement in assuring QOC in facilities or homes.

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- Facility/home/provider staff and surveyors/licensors or technical assistance for facilities/homes/providers implementing quality assurance (QA) and performance improvement programs (PIP).
- Development and maintenance of temporary management or receivership capability.

CMP/SCPRP grant funds may not be used for items prohibited by law, regulation, CMS, or RCS policy. These include but are not limited to:

- Projects disapproved by CMS. (CMP grants only)
- Survey and certification operations.
- Capital expenses.
- Services or supplies that are the responsibility of the facility/home/provider, such as food, heat, staffing costs, etc.
- Projects for which a conflict of interest or the appearance of a conflict of interest exist.
- Projects longer than the approved length
 - CMP projects must be 36 months or shorter.
 - SCPRP projects in AFH must be 18 months or shorter.
 - SCPRP projects in CCRSS must be 12 months or shorter.
- Supplementary funding of federally or state required services.

Organizations that may qualify for use of CMP/SCPRP grant funds include, but are not limited to:

- Consumer advocacy organizations.
- Resident or family councils.
- Professional or state nursing home associations. (CMP only)
- Professional or state AFH/CCRSS associations. (SCPRP only)
- State Long-Term Care Ombuds program (LTCOP).
- State Developmental Disabilities Ombuds program.
- Quality Improvement (QI) organizations.
- University graduate programs.
- Private contractors.
- Corporations, both non-profit and for-profit.

Grant funding for projects is time-limited for the SCPRP in accordance with the amount of funds available. A reserve of \$30,000 will be maintained in the AFH fund account and the CCRSS fund account for emergency purposes.

APPLICATION PERIOD:

Organizations applying for AFH grant funds may apply for funds during the annual application period of June 1 through July 31. Organizations applying for CCRSS grant funds may apply for funds during the annual application period of September 1 through October 31.

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The Grant Committees include:

- RCS Director
- Office Chief for Policy, Training, Quality Improvement, and Informal Dispute Resolution (PTQI-IDR)
- Policy Program Manager (PPM) for the relevant setting
- Grant Specialist

Grant funds are only available for QI initiatives that are outside the scope of normal facility/home/provider operations. They cannot be used to fund goods or services that the applicant already offers or is required to provide by state or federal law or regulation.

States must obtain approval from CMS before using federally imposed CMP funds to pay for projects.

Procedure

CMP application review process

1. The CMP Grant Specialist:
 - a. Receives the applications.
 - b. Confirms receipt of request with the applicant.
 - c. Reviews the application to verify:
 - i. The applicant used the correct forms.
 - ii. The application is complete.
 - d. Evaluates the application using the criteria developed by CMS and published in [CMS QSO-1919 NH](#) and [CMS S&C 12-13-NH](#).
 - e. Communicates with the applicant about any incomplete portions of the application.
 - f. Asks applicant about any portions of the application that are unclear or where more information is needed.
 - g. Prepares to present the application to the grant committee.
 - h. Schedules the meeting with the grant committee.
 - i. Leads the meeting with the grant committee.
 - j. Sends application to CMS for approval.
 - i. Coordinates with CMS if any additional information is needed.
 - k. Notifies applicant of the outcome
 - i. Application is approved.
 - ii. Application is denied.

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- iii. Further information is needed.
 - 1) If further information is needed, the grant manager will determine what information is needed and coordinate the flow of information between the applicant, the grant committee, and CMS until a final decision is reached.

Upon Approval for the Designated Grant Funds

1. Once the project is approved, the CMP Grant Specialist will:
 - a. Forward the CMS approval letter to the applicant.
 - b. Contact the Contracts Unit to determine if the applicant has payment set up in the system.
 - i. If the applicant does not have a contract on file, send the applicant the [Contractor Intake form \(DSHS 27-043\)](#) and the Statewide Payee Registration W9 form. The applicant completes the forms and returns them to the Contracts Unit.
 - c. Complete the Contractor Risk Assessment Worksheet.
 - d. Complete the Program Services Risk Assessment Worksheet.
 - e. Complete Special Terms (aka Statement of Work).
 - f. Complete a new contract request for each contract on the Contracts Unit SharePoint Site, including the following attachments:
 - i. Contractor Risk Assessment Worksheet.
 - ii. Program Services Risk Assessment Worksheet.
 - iii. Special Terms.
 - g. Respond to requests for more information from the Contract Unit.
 - h. Track progress of the contract throughout the contracting process.
 - i. Provide Program Manager approval when requested.
 - j. Forward approval request to the Office Chief for PTQI-IDR after providing program approval.
 - k. Save all application and contracting documents, including the executed contract, on the Q: Drive.

SCPRP application review process

1. The Lead PPM/SCPRP grant manager:
 - a. Receives the applications.
 - b. Confirms receipt of the application with the applicant.
 - c. Reviews the application to verify:
 - i. The applicant used the correct forms.
 - ii. The application is complete.
 - d. Evaluates the application using the criteria on the scoring tool.
 - e. Works with the Policy Unit Manager to designate 2-3 staff who will serve on a subcommittee to score the applications.
 - f. Communicates with the applicant about any incomplete portions of the application.

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- g. Asks applicant about any portions of the application that are unclear or where more information is needed.
- h. Sends applications to the subcommittee for scoring.
- i. Scores the application.
- j. Averages the scores from the subcommittee.
- k. Enters information from the application and the subcommittee into the Application Reviewer Checklist.
- l. Prepares to present the application to the grant committee.
- m. Schedules the meeting with the grant committee.
- n. Leads the meeting with the grant committee.
- o. Notifies the applicant of the outcome.
 - i. Application is approved.
 - ii. Application is denied.
 - iii. Further information is needed.
 - 1) If further information is needed, grant manager will determine what information is needed and coordinate the flow of information between the applicant and the grant committee until a final decision is reached.
- p. Once all grants have been approved, send total number of grants and amount of grants with the fund number (AFH is fund 274 and CCRSS is fund 19R) to the Budget Office (Jeremy Hambly, Laura Morrison, Carla McKnight).

Monitoring and Compliance

CMP grant contracts are monitored by the CMP Grant Specialist and the SCPRP grant contracts are monitored by the Lead PPM.

Quarterly progress reports are required to be submitted by each grantee/contractor at the end of each three-month period by the 15th calendar day of the following month. The requirements for the report are outlined in the Special Terms of the contract and a final comprehensive close out report with project results (as available) is due within 30 calendar days of the grant/contract end date. All expenditures, including completing and submitting a A19 invoice voucher, are required to be submitted for payment via the state invoice system. These are reviewed and approved by the Grant Specialist or PPM and submitted to the department's accounting office for processing. Reports and invoices are reviewed, and periodic program/project site visits are made to ensure compliance with the project.

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1. The Grant Specialist/Lead PPM will:
 - a. Review progress and final reports for compliance with the terms of the grant.
 - b. Contact the grantee when reports are late.
 - c. Communicate with the Contracts Unit if grantees are not fulfilling the requirements of the grant.
 - d. Send questions about compliance with the terms of the grant to the grantee.
 - e. Save monitoring reports in the Agency Contracts Database.
 - f. Review invoices received from the grantee.
 - g. Track payment to verify reimbursement request comply with terms of the contract and remain within budgeted amounts.
 - h. Communicate with the grantee if there are any questions or problems with the reimbursement request.
 - i. Submit approved reimbursement requests through the Finance SharePoint site.

Program Maintenance

1. The Grant Specialist/Lead PPM will:
 - a. Update the website periodically.
 - b. Send out solicitations for applications when:
 - i. Special funding or contract opportunities are offered.
 - ii. Prior to the application periods for the AFH and CCRSS SCPRP programs begins.
 - c. Answer questions about the programs

Field Manager Responsibility

Field Managers are to conduct the following activities in relation to this procedure:

1. Be aware of CMP and SCPRP grant funds and process for application.
2. Refer to CMP Grant Specialist or designated PPM for questions and information.

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Part II: [Appendices](#)

A. [Acronym List](#)

AFH	Adult Family Homes
CCRSS	Certified Community Residential Services and Supports
CMP	Civil Monetary Penalty
CMS	Center for Medicare and Medicaid Services
DSHS	Department of Social and Health Services
HCBS	Home and Community-Based Services
LTCOP	Long-Term Care Ombuds Program
NH	Nursing Homes
PIP	Proficiency Improvement Plan
PPM	Policy Program Manager
PTQI-IDR	Policy, Training, Quality Improvement, and Informal Dispute Resolution
QA	Quality Assurance
QI	Quality Improvement
QOC	Quality of Care
QOL	Quality of Life
RCS	Residential Care Services
RCW	Revised Code of Washington
SCPRP	State Civil Penalty Reinvestment Program
WAC	Washington Administrative Code

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B. [Resources and Forms](#)

1. Resources

a. CMP:

- [Website](#)
- [CMP Reinvestment Application Resource Guide](#)
- [Examples of Non-Allowable Uses of CMP Reinvestment Funds](#)
- [CMP FAQ](#)
- [Did You Know?](#)
- [Toolkits, Breakthrough Communities & Technical Assistance](#)

b. SCPRP:

- AFH:
 - [Website](#)
 - [Fact Sheet](#)
 - [FAQ \(SCPRP Basics\)](#)
- CCRSS:
 - [Website](#)
 - [Fact sheet](#)
 - [FAQ](#)

2. Forms

- SCPRP AFH [Application](#) (DSHS 14-551)
- SCPRP AFH [Application Instructions](#)
- [Budget Summary Template](#) (DSHS 19-237) (AFH and CCRSS)
- SCPRP CCRSS [Application](#) (DSHS 10-653)
- SCPRP CCRSS [Application Instructions](#)
- [CMP Reinvestment Application Budget Template](#)
- [CMP Application Review Checklist](#)
- [CMP Reinvestment Application Template](#)

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3. [Change Log](#)

Eff. Date	Chapter/ Section #	Description of Change	Reason for Change	Communication and Training Plan
07/28/2023	Full Chapter	Update to new format	Provide for easier navigation of document	MB R23-064
09/2020	Full Chapter	Establishment of chapter	Establishment of chapter	MB R20-122

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