Examples of Non-Allowable Uses of CMP Reinvestment Funds

Please note: The following criteria are not all-inclusive. Activities and items beyond what are listed in the following resource will require further CMPRP review. Please refer to the SOM Appendix PP and SOM Chapter 7 for further information.

1. **Conflict of Interest Prohibitions:** CMS will not approve projects for which a conflict of interest exists or the appearance of a conflict of interest. Similarly, we will generally not approve uses that commit CMP funding to very long-term projects (greater than 3 years). By obliging the State to fund a long and large multi-year expense, we consider such projects to raise the appearance of a conflict of interest where the levy of future CMPs could be construed to be done for the purpose of raising revenue rather than for the statutory purpose of deterring or sanctioning poor quality.

2. **Duplication:** States may not use CMP funds to pay entities to perform functions for which they are already paid by State or Federal sources. CMP funds, for example, may not be used to enlarge an existing appropriation or statutory purpose that is substantially the same as the CMP project. Also, CMP funds may not be used to fund State legislative directives for which no or inadequate state funds have been appropriated.

3. **Capital Improvements:** CMP funds may not be used to pay for capital improvements (a durable upgrade, adaptation, or enhancement of a property that increases its value, often involving a structural change or restoration to a nursing home, or building a nursing home, as the value of such capital improvement accrues to a private party (the owner). Federal and State payments also already acknowledge the expense of capital costs, so the use of CMP funds for such a purpose is prohibited. Capital Improvements include replacing a boiler, redesigning a nursing home, landscaping, parking lot or sidewalk construction, adding a concrete patio, etc.

4. **Nursing Home Services or Supplies:** CMP funds may not be used to pay for nursing home services, or supplies that are already the responsibility of the nursing home, such as laundry, linen, food, heat, staffing costs, medical equipment, resident transportation, resident beds, etc. would duplicate an existing responsibility of the nursing home. **Please consult the State Operations Manual (SOM) Appendix PP.**

5. **Supplementary Funding of Federally Required Services:** For example, CMP funds may not be used to recruit or provide Long-Term Care Ombudsman certification training for staff or volunteers or investigate and work to resolve complaints as these are among the responsibilities of Long-Term Care Ombudsman programs under the federal Older Americans Act (OAA), regardless of whether funding is adequate to the purpose. On the other hand, there is no prohibition to an Ombudsman program receiving CMP funds to conduct or participate in

approved projects, or to carry out other quality improvement projects that are not within the Ombudsman program's existing set of responsibilities under the OAA. Nor is there any prohibition to Ombudsman program staff or volunteers to participate in training that is paid by CMP funds but open to a broad audience, such as nursing home staff, surveyors, consumers, or others.

6. **Complex Technology:** CMP funds cannot be used to purchase high-dollar, complex, or sophisticated technologies, such as telemedicine, alert systems, virtual reality, artificial intelligence, etc. **Please review the accompanying list of non-allowed Technology.**

7. **Research:** Conducting descriptive, analytical, experimental, or integrative research studies on nursing home residents/staff, often consists of projects where the benefit to nursing home residents is unknown or concentrated on the research entity, or a large portion of the budget does not directly benefit nursing home residents. Additionally, research often uses a large portion of the project budget for the development and testing of an intervention or activity, rather than the implementation of the project.

8. **Quality Innovation Network-Quality Improvement Organization (QIN/QIO) Approved Projects:** CMP funds cannot be used to fund activities for which QIN-QIOs are already receiving federal funding to complete. Check with the State or CMS Location regarding active QIN/QIO projects and activities.

9. **Charging for Nursing Home Employee Salary:** An application to implement a training program to improve staff engagement contained a request for funds to pay the salary of the training coordinator, who was an existing employee of the nursing home applicant. This application is inappropriate because CMP funds cannot be used to pay for the salary of a nursing home employee.

10. **Palliative Care Services:** CMP funds cannot be used for palliative care services. Palliative care services are billable medical services consistent with general medical care; therefore, all services are potentially billable to Medicare, Medicaid, private insurance, and private payer systems.

11. **Dental, Vision, and Hearing Services:** CMP funds are not intended to bridge the gap in coverage for services Medicare does not currently provide. Note: Some dental projects may be allowable, such as training, or based on the extent of the state's current dental coverage.

12. **Incentives:** CMP funds cannot be used for monetary and non-monetary gifts to motivate or encourage individuals to do something, including but not limited to providing monetary incentives for attending trainings or for completing surveys.

13. **Overlap with State Functions:** CMP funds cannot be used to pay for state salaries and for functions that states are required to perform. This category also includes funding for survey and certification operations. The exception is the administrative use of CMP funds by the State Agency necessary to administer, monitor, or evaluate the effectiveness of CMP projects.

14. **Previously Denied CMRP Projects:** CMP funds cannot be used to reactivate denied projects.

15. **Telemedicine Services and Equipment:** Telemedicine services and telemedicine equipment are not an appropriate use of CMP funds, as States may not use CMP funds to pay entities to perform functions for which they are already paid by State or Federal sources.

16. **Prohibited Budget Items:** CMP funds should not be used to include items or services that are not related to directly improving the quality of life and/or care of nursing home residents.

Budget items should not contain excessive costs, items already considered a nursing home responsibility, or services/items being paid for by a state or federal agency. Please see the accompanying list for further clarification.

17. **Mental and Behavioral Health Support CMP Applications:** CMS is committed to improving the quality of care for residents with underlying serious mental illness (SMI) and/or substance use disorder (SUD). CMS has partnered with SAMHSA to launch a national Center of Excellence which provides technical support and training to nursing homes to help care for individuals with SMI and/or SUD. Nursing homes are encouraged to pursue accessing SAMHSA's training and technical assistance, as CMS will not accept applications for these topics. Dementia training is excluded. To obtain information and access to this program, visit www.nursinghomebehavioralhealth.org.

Prohibited Budget Items

This list is not all-inclusive, and some items may require further CMPRP review.

- Infection control supplies
- Personal Protective Equipment (PPE)
- Any equipment required to perform a medical service/procedure
- Any equipment required to monitor patient health
- Outdoor furniture
- Permanent fixtures (lighting, bathtubs etc.)
- Standard resident beds
- Food
- Drink
- Background checks
- Patient assistive devices (hearing aids, prescription glasses etc.)
- Resident assessment instruments (RAI)
- Installed projection systems
- Curtains
- Patio
- Massage chairs
- Water fountain
- Any renovations to the physical layout of the building

- Patient fall detectors
- Nurse alert systems
- Tracking systems
- Incentives
- Laptops for nursing home staff
- Surround sound systems
- Telecom systems
- Nursing home staff salaries
- Telemedicine services or equipment
- Research or dissemination (conference fees, publication fees etc.)
- Reserve equipment
- Televisions
- Appliances (Washing machines, dryers, microwaves etc.)
- Landscaping
- Fixed gardens (permanent additions to the nursing facility, non-mobile)
- Resident transportation (nursing home shuttles etc.)
- Air conditioning/heat
- Private insurance
- Emergency supplies

Non-Allowable Uses of CMP Reinvestment Funds -Technology

Technology	Project Description
Artificial Intelligence Technology	Products that monitor patients remotely and alert assigned nursing teams to possible outcomes. Often used to create efficient nursing teams while increasing patient safety.
Interactive/Simulation Game Systems	Systems that create a virtual playground and provide games to foster interaction or a genre of games designed to mimic activities you would see in the real world.
Content-Driven Engagement Technology	The use of technology that creates meaningful experiences for older adults by connecting them to the world around them.
Virtual Reality (VR) Technology	A computer-generated environment with scenes and objects that appear real or natural immerses the user in their surroundings. The user perceives this environment through a device known as a virtual reality headset or helmet. VR is used to overcome social isolation through the power of positive shared experiences.
Telemedicine Equipment/Telehealth Monitoring Devices	Devices used to support Telemedicine or remotely monitor resident conditions.
Digital Signage	Electronic signage refers to display technologies like LED walls (or video walls), projection, and LCD monitors to vividly display webpages, videos, directions, restaurant menus, marketing messages, or digital images.
Computer Technology That Functions and Interacts as a Companion	Artificial technology that interacts with the resident and can summon help from a pre-programmed list of primary contacts. It can also start up a video call and send text messages. The devices can pick up patterns, learn daily routines, and recall, adding levels of empathy and personalization.
Technology Upgrades	Refers to upgrades to outdated technology products to conform to the latest subscription or version updates.