

## Report in Brief

Date: February 2019

Report No. A-05-17-00019

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Review

During a multi-State review, we determined that Michigan received civil money penalty (CMP) collections. We initiated this review to examine the types of activities funded by CMP collections and to determine whether the expenditures were for allowable CMP activities.

Our objectives were to determine whether Michigan appropriately used CMP collections for activities that protect or improve the quality of care for residents and whether it expended CMP funds in accordance with Federal requirements

### How OIG Did This Review

We limited our review to \$3.6 million in CMP collections reported on the CMS Certification and Survey Provider Enhanced Reports during Federal fiscal years (FYs) 2014 through 2016.

## Michigan Disbursed Only Part of Its Civil Money Penalty Collections, Limiting Resources To Protect or Improve Care for Nursing Facility Residents

### What OIG Found

Michigan expended almost two-thirds of the \$3.6 million in CMP collections during our audit period, reimbursing organizations \$2.3 million for activities that protected or improved the quality of care for nursing facility residents. However, it did not fully use available CMP collections to support nursing facility residents.

Michigan distributed the CMP funds for a variety of allowable activities, including support for long-term-care ombudsman services, services to skilled nursing facility residents, and development and creation of quality assurance performance improvement training materials.

However, Michigan did not receive a sufficient number of applications to support the expenditure of funds on hand, and many of the applications addressed activities already covered under the Medicaid program. Additionally, Michigan was unable to increase awareness of funds availability and attract new applications. As a result, residents and facilities were potentially underserved because of the limited number of services that were approved and supported with CMP collections. Michigan is currently doing a quality improvement review of its system to improve its outreach and marketing of the CMP funds.

### What OIG Recommends and Michigan Comments

We recommend that Michigan work with organizations to fully utilize CMP collections to fund activities that protect or improve the quality of care for nursing facility residents and continue to review its processes to make them more efficient and effective.

In written comments on our draft report, Michigan agreed with our finding and recommendations and provided details about actions it has taken to identify more projects that enhance and improve the quality of care for nursing home residents.