Office of Health Care Quality

Health Care Quality Account Grants Program

FY 2025 Annual Report

Wes Moore, Governor
Aruna Miller, Lt. Governor
Laura Herrera Scott, MD, MPH, Secretary
Nilesh Kalyanaraman, MD, FACP, Deputy Secretary for Public Health Services
Patricia Tomsko Nay, MD, CHCQM, FAAFP, FABQAURP, FAAHPM, Executive Director

Role of the Office of Health Care Quality

The Office of Health Care Quality ("OHCQ") is the agency within the Maryland Department of Health ("MDH") that determines compliance and non-compliance with State licensure and/or federal certification requirements in health care facilities and community-based programs in 47 industries. OHCQ's mission is to protect the health and safety of Marylanders and to ensure there is public confidence in the health care and community service delivery systems. OHCQ's vision is that all those receiving care in Maryland can trust that their health care facility or program is licensed and has met the regulatory standards for the services that they offer.

Licensure and Certification Activities

On behalf of the Maryland Secretary of Health, OHCQ issues State licenses that authorize the operation of certain health care facilities or programs in Maryland, such as nursing homes or assisted living programs. The State licensure requirements establish the minimum health and safety requirements to obtain and maintain a license to operate in Maryland.

MDH has designated OHCQ as the State survey agency. In accordance with an agreement between the U.S. Department of Health & Human Services ("HHS") and MDH (the "1864 Agreement"), OHCQ conducts certification, recertification, and Clinical Laboratory Improvement Amendments ("CLIA") activities for the purpose of certifying to the HHS Secretary the compliance or non-compliance of providers and suppliers. OHCQ makes recommendations regarding certification of a provider or supplier to the Centers for Medicare & Medicaid Services ("CMS"). A certified provider or supplier may participate in and seek reimbursement from Medicare and Medicaid for services rendered to beneficiaries.

When serious non-compliance with licensure and/or certification requirements is cited in a survey, OHCQ and/or CMS may impose a civil money penalty ("CMP") on the provider. The Health Care Quality Account ("HCQA") Grants Program is funded by the monies collected from the CMP. The program awards grants that support activities that improve the quality of life of individuals who receive services within that industry.

Five Special Fund Accounts

The HCQA Grants Program includes money from five special funds. The first fund was established by a federal regulation requiring the establishment of an account to improve the quality of care provided in nursing homes nationwide. Civil money penalties imposed by CMS against nursing homes may be either for the number of days or for each instance the facility is not in substantial compliance with one or more applicable Medicare and Medicaid participation requirements. A portion of federal CMPs collected from Maryland nursing homes are returned to Maryland and held in a special fund (Federal Nursing Home).

In 2000, Maryland's General Assembly established the HCQA for nursing home CMP imposed by OHCQ. Civil money penalties imposed by OHCQ against nursing homes may be

per instance or per day. The total amount of State CMPs collected goes into a special fund (State Nursing Home).

In 2007, the State Assisted Living Account was established by the Maryland General Assembly. Civil money penalties imposed by OHCQ against assisted living programs may be per instance or per day. The total amount of State CMPs collected from assisted living programs goes into a special fund (State Assisted Living).

A portion of the CMPs imposed by CMS against Maryland hospices is returned to Maryland (Federal Hospice). Since the inception of this federal program, CMS has not imposed any CMPs on hospices in Maryland.

Most recently, the Federal OIG account was established for a portion of the CMPs imposed by the Office of the Inspector General ("OIG") against Maryland providers. The account was established for funds collected from providers for CMPs imposed by the OIG.

Each of the separate accounts in Table 1 is a non-lapsing special fund. Monies deposited in these accounts are allocated through grant awards in support of education, training, and demonstration projects designed to improve the quality of care provided in Maryland's nursing homes, assisted living programs, or hospices. A balance is maintained in these accounts in the event funds are needed for any natural disasters, pandemics, or other deemed emergencies that affect residents of nursing homes, residents of assisted living programs, or hospice patients.

Table 1: Source of Funds and Available Funds in Special Fund Accounts as of June 30, 2025

Special Fund Account	Source of Funds	Available Funds 6/30/2023
Federal Nursing Home	CMP imposed on nursing homes by CMS	$15,345,048.97
State Nursing Home	CMP imposed on nursing homes by OHCQ	$2,548,693.13
State Assisted Living	CMP imposed on assisted living programs by OHCQ	$82,111.93
Federal Hospice	CMP imposed on hospices by CMS	$0
Federal OIG	CMP imposed by the OIG	$265,500.46

Grant Award Process

Applications for grant awards from the HCQA are accepted throughout the year. Awarded grant amounts vary and are contingent upon the availability of funds. At a minimum,

the submitted application must include the following information describing the proposed project:

- Title Page: Project title; applicant organization's name and address; project director's name; and contact information;
- Executive Summary: Project's purpose, scope, and summary of entire proposal;
- Background and Significance: Impetus for project (i.e., why this project is necessary);
- Project Plan: Description of project-related goals and objectives; activities to be undertaken to accomplish goals and objectives; project timeline (i.e., nuts and bolts of how project will be implemented);
- Consumer and Stakeholder Involvement: Identification of key individual and organizational partners and how they will be engaged in project design and implementation;
- Expected Outcomes: Identification of intended beneficiaries and outcomes; deliverables; and plan for sustainability;
- Progress and Outcomes Metrics: How progress toward and achievement of expected outcomes will be assessed;
- Proposed Project Budget and Justification: Amount of funding needed to accomplish stated goals and objectives; quantified itemization and narrative justification for major categories of anticipated expenditures; and
- Assurance of Non-Supplantation: Brief description of how the project will not re-define, displace or replace current responsibilities of any participating organization to meet existing Medicare or Medicaid requirements, or other statutory or regulatory requirements.

The HCQA Grant Committee reviews all completed grant proposals according to the established criteria. In FY25, the committee was comprised of the following OHCQ staff:

- Executive Director
- Director of Strategic Operations
- Deputy Director for Federal Programs
- Deputy Director for State Programs
- Chief Nurse
- Fiscal Officer

Grants for state funds are reviewed and determined by the committee. Proposals for federal funding must be submitted to CMS for review and approval. OHCQ cannot approve the use of federal funds, nor can OHCQ advocate with CMS on behalf of a grant applicant.

Dependent upon the stated purpose and scope of the approved and funded project, one or more progress reports will be required in addition to a final report outlining findings, key accomplishments, and recommendations for future projects in quality improvement. Below is the link to the grant application and further guidance:

https://health.maryland.gov/ohcq/Pages/GrantsProgram.aspx

Criteria for a Grant Application

The applicant must be qualified and capable of carrying out the intended project and proposed uses of requested funds. Funds may be granted to any entity permitted under State law, provided that the funds are used to improve the quality of care provided to residents of nursing homes or assisted living programs. All requests should align with the priorities within the focus areas associated with quality of care associated with the residents.

Such organizations may include but are not limited to consumer advocacy organizations, quality improvement organizations, industry trade associations, professional societies and networks, teams located at colleges and universities, teams based within governmental agencies or government-sponsored enterprises, and private contractors. Resident and family councils affiliated with long-term care programs are also eligible to apply.

Information about how to apply for a grant is at:

https://health.maryland.gov/ohcq/Pages/GrantsProgram.aspx

Grants Awarded

Table 2 includes the grants forwarded from prior fiscal years, including the grantee, funding source, amount awarded, and purpose and scope of the project.

Table 2: Prior Year Health Care Quality Account Grant Awards Forwarded

Grantee	Funding Source	Amount Awarded	Purpose and Scope
Iris Music Project: Ensemble-in-Residence Program for Winter Growth	State Assisted Living	$10,000	Music therapy program for assisted living residents (01/28/25 - 01/20/26)
Dementia Live	Federal Nursing Home	$49,888.45	An immersive educational initiative designed to simulate cognitive and sensory impairments (01/28/25 - 01/22/26)

Administrative and Operating Costs

In order to provide awareness of the HCQA grant program to stakeholders, and grantees, through education, seminars, and technical support, CMS covers the personnel and operational cost for the HCQA grant administrator from the Federal Nursing Home account. OHCQ employs one full-time Grant Administrator to manage the HCQA Grants Program.

National Resources

CMS provides oversight to all states to ensure compliance with the federal laws associated with the collection and use of federal CMP funds. To remain current with the national guidance, OHCQ personnel participate in regular meetings with the CMS Civil Money Penalty Reinvestment Program (CMPRP).

OHCQ personnel also participate in quarterly meetings with the National CMP Network to discuss trends, success stories, and challenges associated with the oversight of each state's reinvestment of CMP funds. Most importantly, ideas are shared in order to solicit grant applications that will continue to improve care in nursing homes across the nation.