

COMMUNITY ENGAGEMENT (CE) CMS READINESS & MONITORING GUIDE

**Operational Standards, Safeguards, and
Reference Architecture for State
Implementation**

February 2026

*Prepared by CITIZ3N – supporting state Medicaid agencies
with CMS-aligned Community Engagement readiness.*

1. TABLE OF CONTENTS

2. Purpose and audience	2
3. Policy Context and Lessons from Prior CE Attempts.....	3
4. Translating CE Readiness into Procurement Structure	5
5. Structured CE Readiness Requirements Checklist (Summary)	11
6. Evaluation Criteria and Scoring Methodology	15
7. Suggested Timelines for Ce readiness and deployment	20
8. Pricing and Commercial Structures	22
9. Risk Considerations and Mitigation	25
10. Data, Verification, and Member Experience Standards.....	28
11. Reference Architecture – Modular Community Engagement (CE) Solution	31
12. Model RFP Appendix (Optional Procurement Reference)	34
13. How to Use This Guide.....	36
14. About CITIZ3N	37

2. PURPOSE AND AUDIENCE

This guide is designed to support State Medicaid Agencies, MMIS vendors, and systems integrators in achieving operational readiness for Community Engagement (CE) / Work Requirements mandated under H.R. 1/HB 1 and related CMS guidance. It is designed for use in CMS readiness planning, internal program design, and procurement development, including, but not limited to, preparing Requests for Proposals (RFPs).

The guide is:

- Vendor-neutral, while using the architectural patterns and operating model embodied in the **CITIZ3N Verify™ Engage Community Engagement Verification System** as a reference model for “*what good looks like*” in a CMS-ready CE implementation.
- Focused on modular, integration-friendly solutions that layer onto existing eligibility and MMIS environments and can adapt to evolving CMS and state policy through configuration rather than continuous change orders.
- Grounded in lessons learned from prior CE implementations and intentionally designed to reduce the risk of avoidable coverage loss, operational breakdowns, and inequitable outcomes observed in earlier efforts (e.g., Arkansas, Kentucky).

The guide includes:

- ✓ Recommended CE program and solution structure, aligned with CMS oversight expectations
- ✓ A requirements checklist mapped to HB 1 and CMS guidance, suitable for readiness assessment or RFP use
- ✓ Evaluation criteria and scoring methodology reflecting federal scrutiny of verification integrity, member experience, and due process
- ✓ Implementation timelines and pricing structure guidance, including implementation and PMPM considerations
- ✓ Risk considerations and mitigation strategies informed by prior state experience
- ✓ A focused section on data, verification, member experience, and accessibility standards
- ✓ A Model RFP Appendix with sample language and placeholders that states may adapt as needed

3. POLICY CONTEXT AND LESSONS FROM PRIOR CE ATTEMPTS

2.1 HB 1 / OBBBA Community Engagement Framework

Recent federal legislation (H.R. 1 / One Big Beautiful Bill Act, Section 71119) requires states to implement community engagement/work requirements for certain Medicaid expansion adults:([CHCS](#))

- **Target Population:** Generally, adults 19–64 enrolled under expansion (with exceptions/exclusions specified by statute and forthcoming CMS guidance).
- **Core Requirement:** At least **80 hours per month** of qualifying activities (employment, education, job training, community service, or a combination).
- **Implementation Deadline:** Mandatory implementation no later than **January 1, 2027**, with potential extensions to December 31, 2028 for good-faith states.([CHCS](#))
- **Exemptions:** Statutory set of “specified excluded individuals” (pregnant, medically frail, caretakers, tribal members, etc.), plus state-defined categories within federal bounds.

To be considered CMS-ready, CE program design and supporting systems must explicitly align with:

- **HB 1 / OBBBA statutory mandates** and evolving CMS implementation guidance
- **CMS expectations for data-first verification**, continuity of coverage protections, and avoidance of improper disenrollment
- **Federal accessibility, civil rights, and equity requirements**, including language access and disability accommodations

This guide uses these policy parameters as the foundation for readiness-oriented design and evaluation.

2.2 Lessons from Arkansas, Kentucky, and Other Early CE Efforts

Prior waiver-based community engagement initiatives provide important, cautionary lessons for current and future implementations. These experiences underscore that implementation design—not policy intent—drives outcomes.

Arkansas (2018):

- More than 18,000 individuals lost Medicaid coverage within the first seven months of implementation, approximately one in four individuals subject to the requirement.

- Coverage losses were driven primarily by confusing reporting rules, online-only reporting requirements, and insufficient outreach—not by verified failure to meet work requirements.
- Federal courts ultimately halted the program, and coverage losses were not fully reversed.

Kentucky:

- Kentucky's approved waiver, which included community engagement requirements, was blocked by a federal court before implementation due to concerns related to statutory authority and the risk of coverage loss.

2.3 Operational Lessons for CE Readiness

These experiences highlight several lessons that should directly shape CE readiness planning, system design, and procurement decisions:

1. Member experience is a compliance safeguard, not a cosmetic feature
Confusing user experiences, complex notices, and digital-only reporting channels can result in large-scale, avoidable coverage loss without advancing employment or engagement goals.
2. Data-first verification is essential
States must rely on existing state, federal, and approved third-party data sources to verify compliance and exemptions before requesting member reporting or documentation. Member attestation should be a last resort, not a default.
3. Modular, configurable solutions reduce risk
Past implementations relied on costly, bespoke system builds that were slow to adapt and difficult to govern. Modular CE solutions that integrate with existing eligibility and MMIS systems reduce cost, implementation risk, and long-term rigidity.
4. Safeguards must be embedded in operations, not bolted on
Cure windows, outreach, notice timing, and fair hearing rights must be systematically operationalized, tracked, and auditable. These safeguards cannot rely solely on policy manuals or manual processes.

These lessons inform the readiness principles, requirements, and evaluation criteria throughout this guide to enable states to implement CE requirements in a manner that is CMS-aligned, operationally defensible, and protective of eligible coverage.

The **CITIZ3N Verify™ Engage** model explicitly embeds these lessons into a data-first, low-burden, configurable CE verification module that layers on top of existing systems.

4. TRANSLATING CE READINESS INTO PROCUREMENT STRUCTURE

The Community Engagement (CE) readiness principles, safeguards, and lessons described in Sections 1 and 2 can be operationalized through procurement by structuring an RFP that explicitly reflects **CMS expectations, implementation risk mitigation, and evidence-based oversight**.

This section illustrates how CE operational readiness can be translated into a procurement structure. States may adapt this outline directly when developing an RFP, or use it as a reference to evaluate whether proposed solutions fully address CE policy, verification integrity, member experience, and due process requirements.

3.1 Recommended RFP Structure (Reference Model)

States may organize an RFP for CE solutions using the following structure, with the expectation that each section explicitly supports CMS readiness and continuity-of-coverage safeguards:

1. Introduction and Background

- Statutory context (HB 1 / OBBBA, 80-hour requirement, implementation deadlines)
- Prior state experience and program goals (minimizing coverage loss, promoting equity, ensuring compliance)

2. Program Objectives

- Accurate CE compliance and exemption verification
- Minimization of member burden through data-first approaches
- Health equity, civil rights, and accessibility protections
- Modular, integration-friendly IT solution design

3. Scope of Work

- CE eligibility and applicability determination
- Exemptions and exclusions management
- Activity reporting and verification (including data-first verification, QR-based confirmation, and attestation as a fallback)
- Cure windows, adverse action controls, and appeals/fair hearing support
- Member portal, communications, and assisted reporting channels
- Integration with eligibility systems, MMIS, and external data sources
- Reporting, analytics, and program oversight

- Ongoing operations and support
- 4. **Functional Requirements**
 - Organized using the **Requirements Checklist** provided in Section 4, aligned with HB 1 and CMS guidance
- 5. **Technical and Integration Requirements**
 - Architecture, security, interoperability, performance, and scalability expectations
- 6. **Data, Verification, and Member Experience Standards**
 - Detailed standards and expectations, as described in Section 9
- 7. **Implementation Approach and Timeline**
 - Phased implementation, pilot strategies, statewide rollout, testing, and certification
- 8. **Operations, Governance, and Change Management**
 - Service-level agreements (SLAs)
 - Configuration management and effective dating of policy changes
 - Continuous improvement and readiness monitoring
- 9. **Pricing and Commercial Terms**
 - Implementation fees
 - PMPM or subscription pricing
 - Third-party data and communication costs
 - Change-order guardrails for CE policy updates
- 10. **Evaluation and Scoring Methodology**
 - Evaluation criteria, weights, and scoring rubric reflecting federal and state oversight priorities
- 11. **Vendor Qualifications**
 - Relevant experience, references, staffing model, and key personnel
- 12. **Appendices**
 - Model CE workflows
 - Conceptual data exchange specifications
 - Model evaluation scorecards
 - Glossary

The requirements checklist, evaluation criteria, and model RFP language included in later sections of this guide are designed to support this structure while ensuring alignment with CMS guidance and lessons learned from prior CE implementations.

Eligibility Verification and Community Engagement Process

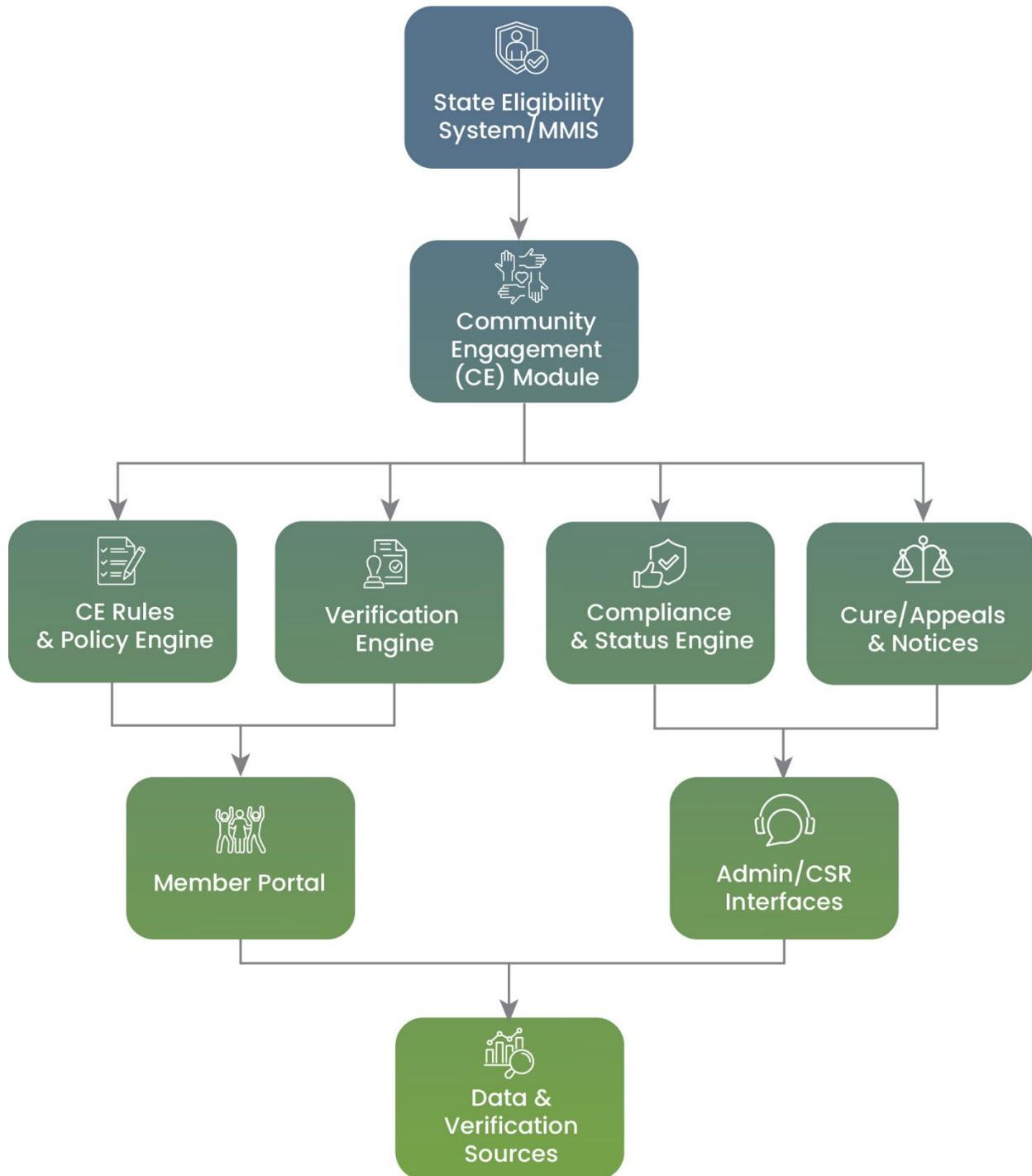


Figure 1: CE Solution Diagram

Table 1: CE Readiness and CMS Oversight Crosswalk

Readiness Area	Operational Focus	Statutory / Policy Authority	CMS Oversight Focus	Readiness & Oversight Outcome
Statutory Authority	CE program authority and scope	HB 1 / OBBBA Section 71119	CMS approval and compliance framework	CE requirements are grounded in clear statutory authority and aligned with CMS implementation expectations
Program Objectives	Monthly CE compliance expectations	80-hour monthly requirement	Continuity of coverage	Program goals are aligned with CMS priorities and avoid misaligned or overly restrictive vendor approaches
Applicability & Exemptions	Identification of CE-applicable individuals and protected populations	CE applicability rules and statutory exclusions	Eligibility and exemptions	Exempt and excluded individuals are systematically identified and protected from improper CE enforcement
Verification Model	Tiered verification hierarchy	HB 1 verification provisions	Data-first verification	Automated use of reliable data sources minimizes member reporting burden and reduces error
Cure Windows	Non-	Due process	Procedural	Required cure

& Appeals	compliance handling and appeal rights	requirements	protections	periods and appeal safeguards are operationalized and auditable, preventing improper disenrollment
Member Experience	Accessibility and language access	Civil rights statutes and CMS guidance	Accessibility and equity	CE implementation does not disproportionately impact individuals with disabilities or limited English proficiency
Technical Architecture	Modular CE solution design	CMS IT and interoperability guidance	Systems interoperability	CE functionality integrates cleanly without reprocessing eligibility or destabilizing core systems
Security & Privacy	Protection of PHI and PII	HIPAA and CMS security requirements	CMS security review	CE systems meet federal security standards and support CMS security approval processes
Audit & Reporting	Decision traceability and documentation	Program integrity expectations	Auditability and oversight	CE determinations are fully traceable, defensible, and available for CMS monitoring and

				PERM review
Evaluation & Governance	Objective vendor evaluation	Federal procurement best practices	Oversight and accountability	Procurement and governance processes support objective selection and long-term CMS readiness

5. STRUCTURED CE READINESS REQUIREMENTS CHECKLIST (SUMMARY)

This section presents a structured Community Engagement (CE) readiness requirements checklist that states may use to assess solution readiness, guide implementation planning, and, where appropriate, embed directly into procurement documents as a requirements matrix.

The checklist reflects **HB 1 / OBBBA statutory requirements, CMS implementation and oversight expectations**, and **operational safeguards informed by prior CE efforts**. While vendor-neutral in form, it is grounded in proven architectural and operational patterns derived from the CITIZ3N CE Business Requirements Document (BRD) and System Design Document (SDD).

Each requirement represents a **readiness control** intended to ensure accurate determination, continuity of coverage, auditability, and defensible oversight.

4.1 Program and Policy Readiness Requirements

ID	Readiness Requirement
P1	Support configuration of CE applicability rules (e.g., age, aid category, disability indicators, program enrollment) through configuration rather than code changes.
P2	Implement a configurable, HB 1-aligned 80-hours-per-month CE requirement, supporting monthly or rolling compliance windows as defined by state policy.
P3	Implement a configurable five-tier exemption framework aligned with CMS and HB 1 categories (e.g., pregnancy, medically frail, caregivers, tribal members, former foster youth, SNAP/TANF participants, incarceration).
P4	Support state-defined hardship exemptions and cross-program exemptions (e.g., SNAP, TANF, UI, workforce, education), including effective and expiration dating.
P5	Support configurable cure windows and adverse action controls, including automatic suspension of CE-related adverse actions during appeals when required by state policy.
P6	Enforce fair hearing and appeal rights, including tracking of appeal deadlines, notice issuance, and resolution outcomes.

4.2 Data & Verification Requirements

ID	Readiness Requirement
D1	Implement a data-first verification hierarchy, prioritizing: (1) state administrative data; (2) federal sources (e.g., CMS Employment & Income Verification API); (3) third-party payroll, workforce, or education data; (4) QR or provider-based verification; and (5) member attestation as a last resort.
D2	Integrate via SFTP and/or APIs with state eligibility systems, SNAP/TANF, UI wage data, workforce and education systems, and approved verification vendors.
D3	Support state-configurable income-to-hours mapping (e.g., minimum wage conversions), consistent with CMS guidance.
D4	Support QR-based verification and configurable partner registries (e.g., employers, community-based organizations, education institutions).
D5	Maintain complete decision traceability, including source data evaluated, rules applied, and final determinations.
D6	Store all CE artifacts (data, documentation, notices, determinations) in a structured, auditable data model that supports retrieval for CMS monitoring, appeals, and program integrity reviews.

4.3 Member Experience & Communications

ID	Requirement
M1	Provide a mobile-friendly, WCAG 2.1 AA-compliant Member Portal that displays CE status, hours required vs. credited, exemption status, cure windows, and deadlines.
M2	Support self-service activity reporting, document upload, and exemption requests; allow CSRs to perform actions on members' behalf.
M3	Support multi-language content (at least English and Spanish) and plain-language, literacy-appropriate content.
M4	Provide multi-channel communication : mailed notices plus portal messages; optionally email/SMS where permitted.
M5	Surface proactive alerts for upcoming deadlines (renewals, exemption expirations, cure window end dates).
M6	Ensure clear, rights-based notices to avoid confusion that contributed to

coverage losses in Arkansas.

4.4 Technical Architecture & Integration

ID	Requirement
T1	Operate as a modular, single-tenant CE component that integrates with the state eligibility/MMIS and does not require replatforming eligibility.
T2	Use standardized REST APIs, SFTP, and secure file formats for interoperability.
T3	Support high-volume batch processing of eligibility rosters and monthly determinations within agreed SLAs.
T4	Support environment parity (DEV, TEST/UAT, MODEL, PROD) with configuration promotion pipelines.
T5	Provide real-time or near-real-time event updates for CE status (e.g., via APIs or nightly exports).

4.5 Security, Privacy, and Compliance

ID	Requirement
S1	Comply with ARC-AMP-E / NIST 800-53-equivalent controls, HIPAA Privacy & Security Rules, and state security standards.
S2	Use strong authentication (SSO/MFA) and robust RBAC for all roles (members, CSRs, state workers, admins).
S3	Encrypt PHI/PII at rest and in transit, log all CE-related actions, and maintain immutable audit trails.
S4	Provide role-based masking of sensitive data (e.g., incarceration data, detailed health information).

4.6 Implementation, Operations, Reporting

ID	Requirement
I1	Provide tools for queue management, SR processing, manual reviews, and appeals (CSR Tier 1/2, state workers).
I2	Provide program dashboards (compliance rates, exemptions, verification mix,

- adverse actions) and operational dashboards (queue volumes, SLA adherence).
- I3** Deliver CMS-ready datasets and state-defined CE reports (cohorts, outcomes, program integrity).
- I4** Support structured change management and configuration governance (versioned rules, effective dating).

6. EVALUATION CRITERIA AND SCORING METHODOLOGY

This section describes a **readiness-based evaluation framework** that states may use to assess whether proposed Community Engagement (CE) solutions can meet **HB 1 / OBBBA statutory requirements, CMS implementation and monitoring expectations, and operational safeguards necessary to prevent improper disenrollment.**

The evaluation methodology is designed to prioritize **coverage continuity, verification integrity, auditability, and equity**, reflecting heightened federal scrutiny of CE implementations.

5.1 Recommended Evaluation Categories and Weights

States may evaluate proposals using a **100-point weighted scoring model**, with recommended category weights shown below. While states may adjust weights to reflect local priorities, Program & Policy Alignment, Data & Verification, and Member Experience should be weighted heavily due to their direct impact on CMS compliance and coverage outcomes.

Category	Weight
1. Program & Policy Alignment (HB 1 / CMS)	20 points
2. Data & Verification Model	20 points
3. Member Experience & Health Equity	15 points
4. Technical Architecture & Integration	15 points
5. Implementation Approach & Timelines	10 points
6. Operations, Governance & Flexibility	10 points
7. Vendor Experience & References	5 points
8. Cost & Commercial Value (Total Cost of Ownership)	5 points

This weighting structure emphasizes federal compliance readiness, verification rigor, and member protections, consistent with CMS oversight priorities and lessons learned from prior CE efforts.

5.2 Scoring Rubric (0–5 Scale)

Each evaluation criterion may be scored using the following **0–5 rubric**, which is designed to distinguish not only functional capability but also **risk level, evidence quality, and readiness maturity**.

Score	Description
0	Non-responsive or unacceptable; fails to address the requirement or introduces material compliance risk.
1	Barely meets minimum expectations; significant gaps, ambiguity, or implementation risk.
2	Partially meets requirements; important details missing; moderate risk to CMS readiness or operations.
3	Meets requirements; straightforward implementation with manageable risk and adequate evidence.
4	Strong solution: exceeds requirements in some areas and demonstrates reduced operational or compliance risk.
5	Exceptional solution; clearly superior design, strong evidence, advanced automation, and robust risk mitigation.

5.3 Illustrative Scoring Example – Data & Verification Model (20 points)

To support consistent evaluation, the following example illustrates how proposals might be scored within the **Data & Verification Model** category:

- **Score 0–1:**
Attestation-first approach; minimal data integration; weak or incomplete auditability; high risk of improper disenrollment.
- **Score 2–3:**
Some data integrations are present, but verification hierarchy is incomplete or not fully aligned with HB 1 / CMS expectations; limited cross-program data use.
- **Score 4:**
Robust, multi-source, **data-first verification hierarchy** with clear decision traceability, coverage safeguards, and auditable outcomes.
- **Score 5:**
Meets all criteria for Score 4, plus **advanced automation** (e.g., rule-driven

integration with CMS APIs, payroll or workforce systems, QR-based verification), strong analytics, and high configurability that supports rapid policy changes without custom development.

5.4 Detailed Evaluation Matrix with Sub-Criteria and Weights

This matrix provides a more granular view of evaluation criteria and aligns scoring with **CMS readiness controls, operational safeguards, and oversight needs.**

Category	Category Weight	Sub-Criteria	Sub-Weight	What Evaluators Should Assess
A. Federal Compliance & Policy Alignment	25%	A1. Alignment with CMS CE Statute & Guidance	7%	Explicit support for monthly compliance measurement, 80-hour rules, exclusions, exceptions, cure periods, adverse action safeguards, and CMS guidance mapping
		A2. Data-First Verification Requirement	6%	Demonstrated use of reliable data sources prior to requesting member documentation, consistent with CMS guidance
		A3. Exemptions & Exceptions Handling	5%	Automated handling of CMS-defined exclusions and time-bound exceptions with effective and expiration dating
		A4. Fair Hearing & Appeals Support	4%	Evidence retention, appeal tracking, and suspension of adverse action where required
		A5. Auditability & Traceability	3%	End-to-end decision lineage from data source through rules,

				determinations, notices, and outcomes
B. Verification & Compliance Determination Capability	25%	B1. Verification Hierarchy	6%	Tiered verification model (cross-program → federal → state → third-party → attestation)
		B2. Monthly Compliance Determination Engine	6%	Month-based determinations with configurable logic; no hard-coded daily tracking
		B3. Exemption Automation Rate	5%	Ability to automatically approve common exemptions without manual caseworker review
		B4. Cure Window Management	4%	Configurable cure periods, re-evaluation logic, and compliant notice timing
		B5. Evidence & Data Provenance	4%	Source tagging, timestamps, immutable logs, and retained documentation
C. Member Experience & Accessibility	15%	C1. Multi-Channel Access	4%	Portal, mobile, call-center, and paper-based submission options
		C2. Accessibility Compliance (WCAG 2.1 AA / Section 508)	4%	Demonstrated compliance with accessibility standards
		C3. Language & Literacy Support	3%	Plain-language notices, multilingual support, culturally appropriate UX
		C4. Member	4%	Pre-filled data, minimal

		Burden Reduction		documentation uploads, and clear compliance indicators
D. Operational Readiness & Case Management	15%	D1. Caseworker Tools & Queues	4%	Tiered work queues, SLAs, escalation paths
		D2. Manual Review & Overrides	4%	Controlled overrides with reason codes and complete audit trails
		D3. Notice Generation & Timing	3%	Configurable, policy-aligned notices meeting Medicaid timing requirements
		D4. Reporting & Program Oversight	4%	Dashboards supporting workload management, compliance monitoring, and CMS reporting
E. Technical Architecture & Integration	10%	E1. Modular CE Alignment	4%	CE functionality operates outside core eligibility, aligned with 45 CFR Part 95
		E2. Integration with IES / MMIS	3%	Standards-based APIs and batch integration with minimal core system changes
		E3. Configurability	3%	Policy and rule changes implemented through configuration rather than code
F. Vendor Experience, Risk & Cost	10%	F1. Relevant Medicaid Experience	4%	Demonstrated experience with Medicaid eligibility, verification, or comparable programs
		F2.	3%	Realistic, state-aligned

		Implementation Timeline & Readiness		implementation plan supporting federal compliance timelines
		F3. Cost Transparency & Sustainability	3%	Clear licensing, implementation, and ongoing operations and maintenance costs

7. SUGGESTED TIMELINES FOR CE READINESS AND DEPLOYMENT

This section provides **indicative timelines** to support Community Engagement (CE) readiness planning, procurement, and implementation. Timelines are structured to align with **federal compliance deadlines, CMS oversight expectations**, and lessons learned from prior CE implementations.

States should treat these timelines as planning guidance and adjust based on local governance, system complexity, and data integration readiness.

6.1 Procurement Timeline

States should plan procurement activities by working backward from federal CE implementation deadlines (mandatory CE implementation by **January 1, 2027**, with potential extensions through December 31, 2028, for states demonstrating good-faith implementation efforts).

An indicative procurement timeline is outlined below:

- Months 0–3: Readiness Planning and Market Engagement**
 Policy clarification, internal readiness assessment, market research, and stakeholder engagement (program, IT, legal, equity, and CMS liaison teams).
- Months 3–6: RFP Development and Internal Review**
 Drafting and internal review of RFP materials, including requirements, evaluation criteria, and readiness safeguards; publication of the RFP.
- Months 6–9: Vendor Response, Evaluation, and Selection**
 Vendor Q&A, proposal submission, evaluation, BAFO (if applicable), and contract negotiation.

Total indicative procurement duration: approximately **9–12 months**.

Early-mover states may compress this timeline by leveraging existing readiness artifacts, such as this guide and established CE business and technical requirements, while maintaining appropriate oversight and review.

6.2 Implementation Timeline (Post-Award Readiness to Production)

Consistent with modular CE solution design principles, a Community Engagement solution can typically be deployed in **9–15 months post-award**, depending on integration complexity, data availability, and state readiness.

The following phased approach supports **incremental readiness**, risk mitigation, and CMS visibility throughout implementation:

Phase	Indicative Duration	Key Readiness Activities
1. Discovery and Design	2–3 months	Policy refinement; configuration design; interface specifications; requirements traceability matrix (RTM) finalization
2. Build and Configuration	3–5 months	Rules configuration; member and worker portal setup; queue design; data model extensions
3. Integration and Data Onboarding	3–4 months	Integration with eligibility systems, SNAP/TANF/UI, payroll, workforce and education systems, and notice vendors
4. Testing and User Acceptance	2–3 months	Functional, integration, performance, accessibility, and user acceptance testing
5. Pilot or Limited Rollout	2–3 months	Deployment to a defined cohort or region; monitoring of compliance outcomes, coverage impacts, and member experience
6. Statewide Rollout and Stabilization	~3 months	Full deployment, CMS-ready reporting, operational stabilization, and optimization

This phased approach allows states to **validate safeguards**, monitor early outcomes, and adjust prior to statewide rollout.

6.3 Vendor Timeline and Readiness Expectations

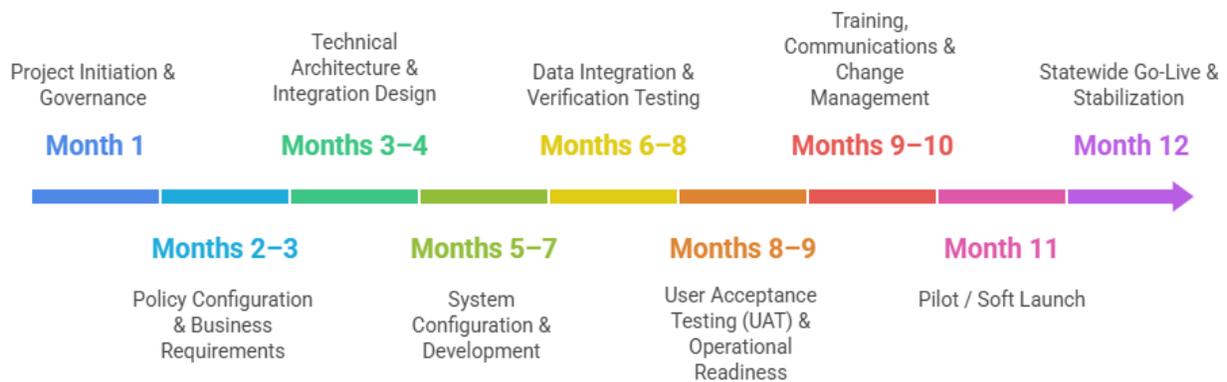
To support effective planning and oversight, states should require vendors to:

- Submit **detailed, Gantt-style implementation timelines** with clearly identified

milestones

- Identify **critical dependencies**, including eligibility vendors, data partners, and external systems
- Demonstrate how **policy and CMS guidance changes** will be accommodated through configuration and effective dating, rather than custom code development
- Describe pilot strategies and readiness checkpoints prior to statewide rollout

HB1 Community Engagement Implementation Timeline



8. PRICING AND COMMERCIAL STRUCTURES

This section outlines recommended pricing and commercial structures to support sustainable Community Engagement (CE) readiness, minimize long-term cost risk, and accommodate ongoing policy evolution under HB 1 / OBBBA and CMS guidance.

Pricing models should align with modular CE solution design principles, prioritize configuration over custom development, and reduce the likelihood of recurring change orders as federal and state requirements evolve.

7.1 Recommended Pricing Model

To support long-term CE readiness and predictable total cost of ownership (TCO), pricing models should emphasize:

1. **One-Time Implementation and Configuration Fees**, and
2. **Ongoing PMPM or Platform Subscription Fees**

Ongoing fees should explicitly include adaptation to evolving CE policy and CMS guidance through **configuration and effective dating**, rather than repeated custom development or change orders.

7.1.1 Implementation Fee Structure

States should expect implementation fees to cover the following readiness activities:

- Solution design, configuration, and CE rules setup
- Interface development, testing, and certification (e.g., eligibility systems, data sources, notice vendors)
- Member and worker portal configuration and branding
- Data migration and initial eligibility roster onboarding
- Training, knowledge transfer, and operational documentation
- CMS review support and certification artifacts (e.g., requirements traceability matrix, design documentation)

States may require vendors to **break out implementation fees by workstream** and to clearly distinguish **included activities versus optional or contingent services**, supporting transparency and comparability across proposals.

7.1.2 Ongoing PMPM / Subscription Fees

Ongoing pricing should be structured as a **per-member-per-month (PMPM)** fee or platform subscription and should be designed to support continuous CE readiness.

Recommended structure:

- **Population basis:**
PMPM pricing based on the eligible adult population (e.g., Medicaid expansion adults ages 19–64) or the CE-applicable subset, as defined by state policy.
- **Included services:**
 - Hosting, operations, and standard platform support
 - CE rule updates resulting from federal or state policy changes within the CE domain
 - Routine enhancements, performance optimization, and security patching
 - Use of existing verification integrations, subject to applicable pass-through data costs

To ensure cost predictability, states should require vendors to explicitly identify:

- **Configuration changes included in the PMPM or subscription fee**, such as new exemption categories, updated hour thresholds, or revised cure window parameters; and

- **Net-new development** that would be priced separately, such as entirely new program modules or non-CE functionality.

7.1.3 Third-Party and Variable Cost Components

States should require **separate unit pricing or clearly identified pass-through pricing** for variable or third-party cost components, including:

- CMS Employment and Income Verification API usage (if not fully funded centrally by CMS)
- Commercial payroll, workforce, or education data vendors
- Text messaging or other optional communication channels
- Additional data sources introduced post-award (e.g., new workforce or education systems)

Clear delineation of these costs supports accurate budgeting and avoids hidden long-term expenses.

7.2 Change Order Guardrails and Configuration Expectations

To prevent cost escalation and implementation risk, commercial terms should include **explicit change-order guardrails**.

States should require vendors to:

- Propose a **“no-surprise change” policy** for CE rule changes resulting from:
 - CMS regulations or sub-regulatory guidance
 - HB 1 statutory refinements
 - State policy adjustments within the CE domain
- Demonstrate a **configuration-first product approach**, in which the vast majority of CE policy changes are implemented through configurable, versioned rules and effective dating—rather than custom code development.

This approach aligns with modular CE design principles and supports ongoing compliance without repeated renegotiation or disruption.

9. RISK CONSIDERATIONS AND MITIGATION

Community Engagement (CE) implementations carry **heightened programmatic, legal, technical, and equity risks** due to their direct impact on Medicaid coverage, civil rights protections, and CMS oversight. This section outlines key risk categories observed in prior CE efforts and identifies **readiness-oriented mitigation strategies** that should be embedded in CE solution design and operations.

States may use this section to assess implementation readiness, guide procurement requirements, and evaluate whether proposed solutions adequately mitigate known risks.

8.1 Program & Coverage Risk

Risk:

Large-scale, avoidable coverage losses resulting from confusing requirements, insufficient outreach, or over-reliance on member self-reporting, as observed in early CE implementations such as Arkansas.

Readiness Mitigation Expectations:

- **Data-first verification** that minimizes member reporting and documentation burden
- **Pre-adverse action outreach and configurable cure windows** tracked as primary program data
- **Appeals and fair hearing workflows** fully operationalized within the CE solution
- **Member-centric portals and notices** that clearly communicate requirements, status, and deadlines

These controls are essential to preventing improper disenrollment and supporting continuity of coverage.

8.2 Legal and Compliance Risk

Risk:

Litigation and program disruption resulting from inadequate consideration of coverage impacts, statutory authority, or civil rights obligations, as demonstrated in prior court challenges (e.g., Kentucky).

Readiness Mitigation Expectations:

- **Complete audit trails and decision traceability**, from data sources through

determinations and notices

- **Design alignment with CMS and HHS guidance** on verification, continuity of coverage, and due process
- Retention of evidence sufficient to support **CMS monitoring, PERM reviews, and judicial scrutiny**

These mitigations support defensible program operations and reduce exposure to legal challenge.

8.3 Technical & Integration Risk

Risk:

Integration failures or delays involving eligibility systems, SNAP/TANF, workforce, education, and verification vendors—particularly under compressed federal timelines.

Readiness Mitigation Expectations:

- Use of a **proven, standards-based integration framework** with reference implementations
- **Robust interface monitoring, error handling, and reconciliation** to ensure data integrity
- Clear identification of **critical dependencies** and fallback procedures where integrations are delayed or unavailable

Effective mitigation reduces schedule risk and prevents downstream operational failures.

8.4 Member Experience and Equity Risk

Risk:

Disproportionate negative impact on individuals with disabilities, limited digital access, or limited English proficiency, resulting in inequitable outcomes and increased civil rights scrutiny.

Readiness Mitigation Expectations:

- **WCAG 2.1 AA-compliant, mobile-friendly portals** and interfaces
- **Multilingual support** and plain-language communications
- **Assisted reporting and support channels**, including call centers and authorized representatives
- **Culturally and linguistically appropriate notices** that clearly explain rights and responsibilities

These mitigations position member experience as a compliance safeguard rather than an optional feature.

8.5 Vendor Lock-In and Flexibility Risk

Risk:

Hard-coded rules, proprietary patterns, or tightly coupled architectures that make future CE or eligibility changes costly, slow, or disruptive.

Readiness Mitigation Expectations:

- **Configuration-driven rules engines** with effective dating and version control
- **Extensible, modular architecture** with published APIs and minimal core system dependency
- Clear separation between CE functionality and eligibility system of record

These design principles reduce long-term cost, improve adaptability, and support evolving CMS guidance.

Risk Governance and Vendor Accountability

To support proactive risk management, states should require vendors to:

- Provide a **formal Risk Register and Mitigation Plan** addressing each risk category above
- Demonstrate how their solution design and operating model **embed mitigation controls**, rather than relying on manual processes or post-implementation fixes
- Describe how risks will be **monitored, reported, and addressed** throughout implementation and ongoing operations

This approach ensures that risk mitigation is treated as a **core readiness capability**, not a post-award consideration.

10. DATA, VERIFICATION, AND MEMBER EXPERIENCE STANDARDS

This section defines **core readiness standards** for data, verification, and member experience that support **accurate Community Engagement (CE) determinations, continuity of coverage, and CMS monitoring and oversight.**

These standards should be treated as **non-negotiable operational controls** for CE implementations. States may embed these standards directly into procurement documents or use them as benchmarks for readiness assessment and ongoing program oversight.

9.1 Verification Hierarchy & Data Standards

CE solutions should implement a **structured, data-first verification hierarchy** that minimizes member burden while ensuring defensible determinations and compliance with CMS guidance.

Readiness Expectations:

1. Five-Tier Verification Model

Vendors should implement a tiered verification model consistent with CMS expectations, prioritizing automated and reliable data sources before requesting member input:

- **Tier 1 – Categorical and Statutory Exemptions**
Automatically identify individuals who meet statutory or categorical exclusion criteria.
- **Tier 2 – Hardship and Medical Exemptions**
Support time-bound hardship and medical exemptions with effective and expiration dating.
- **Tier 3 – Cross-Program Data**
Leverage data from SNAP, TANF, UI wage systems, workforce programs, and education systems.
- **Tier 4 – Data-First Verification**
Utilize federal and third-party sources, such as the CMS Employment and Income Verification API, payroll vendors, and workforce or education feeds.

- **Tier 5 – Member Attestation and Documentation (Fallback)**
Use member reporting and documentation only when higher-tier data sources are unavailable or insufficient.

2. **Data Lineage and Provenance**

Every CE determination must capture and retain:

- Data sources evaluated
- Rules applied and thresholds used
- Final determination and effective dates

This information must be accessible for **CMS monitoring, appeals, and program integrity reviews**.

3. **Alignment with CMS Guidance**

Verification workflows should align with CMS guidance on verification hierarchy and continuity of coverage, borrowing proven patterns from existing Medicaid eligibility verification practices.

9.2 Data Quality, Audit and Reporting Standards

To support CMS oversight and defensible program operations, CE solutions must meet the following data quality and audit readiness standards:

- **Automated data validation** for inbound data, including schema validation, completeness checks, and freshness thresholds
- **Comprehensive audit logs** capturing all system and user actions, available for export to support CMS reviews and state oversight
- **Standardized CE reporting datasets**, including compliance rates, verification mix, exemptions, cure windows, and adverse actions
- Support for **CMS-ready data feeds** (e.g., OData or equivalent) to facilitate monitoring, analysis, and reporting

These standards ensure that CE determinations are transparent, reproducible, and defensible.

9.3 Member Experience and Accessibility Standards

Member experience is a **core compliance safeguard** in CE implementations. Solutions must be designed to reduce confusion, support equitable access, and prevent avoidable coverage loss.

Design and Accessibility:

- Compliance with **WCAG 2.1 AA** and **Section 508** accessibility standards
- **Mobile-first, responsive design** to support access across devices
- **Plain-language, health-literacy-informed content** across all member-facing communications

Functional Experience:

- A clear, single **CE dashboard** displaying compliance status, required and credited hours, exemption status, and deadlines
- Simple, intuitive workflows for reporting activities, requesting exemptions, and viewing notices
- Visual indicators for **cure windows**, appeal status, and adverse action timelines

Equity and Support:

- **Multi-language support**, including Spanish at a minimum, with the ability to expand based on state needs
- Support for **assistive technologies** and users with limited digital literacy
- Ability for **trusted representatives or authorized proxies** to assist members with CE-related actions

11. REFERENCE ARCHITECTURE – MODULAR COMMUNITY ENGAGEMENT (CE) SOLUTION

This section presents a **reference architecture** for a modular Community Engagement (CE) solution that supports **CMS readiness, operational resilience, and continuity-of-coverage safeguards**. The architecture is **vendor-neutral** in form, while reflecting proven design patterns modeled on the CITIZ3N Verify™ Engage System Design Document (SDD).

States may use this reference architecture to inform implementation planning, assess vendor alignment, or articulate architectural expectations in procurement documents.

10.1 Key Architectural Principles

- **Modular CE “overlay”**: CE module sits alongside, not inside, eligibility/MMIS; eligibility remains the system of record.
- **Configuration-first rules engine**: All CE logic (applicability, exemptions, verification hierarchy, compliance, cure, adverse actions) is stored in versioned configuration, not code.
- **Agent-based automation**: CE determinations, SR processing, notices, and file processing done via agents/services pulling from queues.
- **Single-tenant state environment** with shared services (identity, logging, configuration) and strict tenant isolation.
- **Standards-based interoperability**: REST APIs and SFTP conforming to CMS interoperability expectations. ([Centers for Medicare & Medicaid Services](#))

10.2 Logical Components

Modeled after CITIZ3N’s CE SDD:

- **Consumer Experience Layer**
 - CE Member Portal
 - ClientHub / AgentHub for CSRs and state workers
- **Membership / CE Engine Services**
 - CE Applicability & Status services
 - Exemption Engine
 - Activity Verification Engine (manual + QR + data-first)

- Compliance Determination Engine
- Cure and Adverse Action Engine
- Notice Trigger Engine
- **Interoperability Layer**
 - Eligibility roster intake
 - CMS Employment API
 - Payroll providers, workforce and education feeds
 - Cross-program data interfaces
 - Notice fulfillment
- **Data & Reporting**
 - ECM data store for CE entities
 - Data warehouse / OData for reporting
- **Platform Services**
 - Identity (SSO/MFA)
 - Switchboard-style configuration
 - Logging/monitoring

Modular Community Engagement (CE) Solution: Reference Logical Architecture

Design Goals & System Boundaries

- Data-first verification
- CMS-aligned policy execution *before sading, member received.*
- Monthly compliance semantics.
- Configurability without code.
- Auditability & appeals readiness.

System Boundaries

- IES/MMIS as System of Record
- CE Module: Decoupled Service

Logical Architecture Overview



Reference Logical Flow



Minimum Required Interfaces



CMS-Defensible by Design

- ✓ Data-First Verification
- ✓ No Member Burden Until Needed
- ✓ Monthly Compliance Logic
- ✓ Immutable Audit Trail

Use of the Reference Architecture

States may include this architecture in procurement documents as a **desired reference model** and invite vendors to:

- Describe how closely their proposed solution aligns with the reference architecture
- Identify any material deviations and explain the rationale
- Demonstrate how their architecture supports CMS readiness, auditability, and long-term adaptability

This approach enables objective comparison while preserving vendor innovation and flexibility.

12. MODEL RFP APPENDIX (OPTIONAL PROCUREMENT REFERENCE)

This appendix provides **optional sample language** that states may adapt when translating Community Engagement (CE) readiness principles into a formal procurement. The sample clauses are designed to reflect **HB 1 / OBBBA requirements, CMS guidance, and lessons learned from prior CE implementations**, while preserving vendor neutrality.

States are not required to use this language verbatim. It is provided to accelerate drafting, promote consistency, and reduce procurement and implementation risk.

11.1 Sample Scope of Work Language (Excerpt)

Scope of Work – Community Engagement Verification Solution

The State seeks a modular Community Engagement (CE) verification solution that:

- Complies with H.R. 1 / HB 1 statutory requirements and all applicable CMS guidance regarding community engagement/work requirements.
- Verifies that CE-applicable Medicaid expansion adults either:
 - Complete at least 80 hours per month of qualifying activities; or
 - Meet state and federally-defined exemptions.
- Operates as a point solution that integrates with the State's existing eligibility and MMIS systems without requiring their replacement.
- Implements a data-first verification hierarchy that uses state, federal, and third-party data sources before relying on member self-reporting and documentation.
- Minimizes member burden and coverage loss risk through clear communications, multi-channel outreach, and robust cure and appeal processes.
- Is highly configurable so that changes to CE policy parameters can be implemented through configuration and effective-dating, not custom development.

11.2 Sample Vendor Response Instructions – Requirements Matrix

Requirements Matrix

Offerors shall complete the Requirements Matrix, if used, indicating:

- “Y” (Yes) – requirement met out-of-the-box;
- “C” (Configuration) – requirement met via configuration;
- “D” (Development) – net-new development required;
- “P” (Partner) – met via third-party product.

For each “C”, “D”, or “P” response, provide:

- A brief description of the configuration or development required
- An estimated level of effort
- Any licensing or pass-through costs

11.3 Sample Evaluation Question – Data & Verification

Describe your solution’s verification hierarchy for CE compliance and exemptions.

- Identify all data sources used (state, federal, payroll, workforce, education, QR/provider, member attestation).
- Explain how you implement a data-first approach consistent with HB 1 and CMS expectations.
- Provide examples from production implementations (Medicaid, ACA, or similar programs) demonstrating automated verification and reduced member burden.

11.4 Sample Pricing Template Requirement

Pricing Template

Offerors shall submit pricing using the State’s pricing template, including at minimum:

- Fixed-fee implementation costs by workstream
- PMPM or subscription fees by population cohort
- Unit/usage-based pricing for third-party data or communication channels
- Explicit description of:
 - Which changes are included as configuration within the PMPM/subscription
 - Which changes constitute billable, net-new development

11.5 Sample Change-Order Guardrail Clause

Configuration vs. Custom Development

The Contractor shall implement CE policy changes (including but not limited to changes in hours requirements, exemption categories, cure windows, notice content, and verification hierarchy) via configuration and effective dating to the greatest extent

feasible.

The Contractor shall not treat such CE policy changes as custom development or require additional license fees unless the State agrees in writing that the change exceeds the scope of CE functionality contemplated in this RFP.

13. HOW TO USE THIS GUIDE

This guide is designed to be **practical and adaptable**, supporting Community Engagement (CE) readiness across **planning, implementation, CMS engagement, and procurement**. States may use this guide in whole or in part, depending on their current phase and needs.

For a given state, recommended usage includes:

1. **Use this guide as a CE readiness framework**
Apply the readiness principles, standards, and safeguards to assess current capabilities, identify gaps, and align stakeholders before implementation or procurement.
2. **Adapt content to your state environment**
Customize references to existing eligibility and MMIS vendors, preferred data and verification partners, and state-specific CE policy decisions, including exemptions, cure windows, and outreach approaches.
3. **Align timelines with state governance and federal deadlines**
Adjust suggested procurement and implementation timelines to reflect legislative calendars, budget cycles, CMS review processes, and system readiness.
4. **Leverage evaluation, pricing, and risk sections as decision tools**
Use the evaluation criteria, pricing guidance, and risk mitigation frameworks as baselines for internal decision-making, market evaluation, and vendor assessment—whether or not a formal RFP is issued.
5. **Reference a modular, verification-first CE architecture where appropriate**
Where helpful, states may reference a **modular, data-first CE solution**—similar in design to the reference architecture described in this guide—as a benchmark for readiness, while maintaining an open and competitive procurement process.

Used together, these elements support a CE implementation approach that is **CMS-aligned, operationally defensible, adaptable to policy change, and focused on protecting eligible coverage**.

14. ABOUT CITIZ3N

CITIZ3N is a technology and services company that supports **state Medicaid agencies and public-sector health programs** with **CMS-aligned program design, implementation, and operations**. CITIZ3N specializes in modular, integration-friendly solutions that layer onto existing eligibility and MMIS environments, enabling states to respond to evolving federal and state requirements without costly system replatforming.

CITIZ3N's work spans eligibility and verification systems, data-first program design, member communications and accessibility, and operational readiness for complex federal initiatives. The reference architecture, readiness standards, and mitigation strategies described in this guide reflect CITIZ3N's experience supporting coverage continuity safeguards, audit-ready verification, and configuration-driven policy management across Medicaid and related public programs.

This guide is intended to support informed planning and decision-making and does not endorse or require the selection of any specific vendor or solution.

States seeking additional Community Engagement readiness support, implementation planning, or advisory services may contact CITIZ3N for optional assistance.