WHITE PAPER

Empowering Medicaid Modernization

Meeting Work Requirements & Safeguarding Program Integrity Under the One Big Beautiful Bill Act

CITIZ3N
GOVERNMENT SOLUTIONS
A SOFTHEON Brand

Mission:

CITIZ3N Government Solutions is dedicated to empowering local, state, and federal agencies with innovative technology and services. Our goal is to reduce costs, enhance member experiences, support eligibility verification, and broaden access to healthcare for all members of society.

Vision:

At our core, we value innovation, collaboration, and trust. We aim to provide comprehensive platforms for, but not limited to, State-Based Marketplaces and tailored solutions for Medicaid and HHS agencies. Our goal and vision is to make healthcare affordable, accessible, and plentiful for all Americans.

Executive Summary

As states prepare to operationalize the Medicaid work requirements introduced in the One Big Beautiful Bill Act (OBBBA), the burden of compliance and accountability is increasingly falling on state Medicaid agencies and their IT systems. These new federal mandates require that states verify at least 80 hours of qualifying work or community engagement each month for non-exempt beneficiaries, while ensuring procedural fairness and accurate eligibility determinations. The complexity of implementing this policy—while safeguarding vulnerable populations and avoiding wrongful disenrollments—calls for trusted, adaptable, and outcomes-driven technology partners.

Medicaid work requirements condition Medicaid eligibility on fulfilling work or community engagement activities. They have re-emerged as a pivotal policy issue. Proponents argue these requirements encourage employment and self-sufficiency, while opponents point to evidence of substantial coverage losses with little impact on employment. During the Trump administration (2017–2020), the Centers for Medicare & Medicaid Services (CMS) approved 13 state waiver programs to test work requirements, though most were halted by courts or subsequent policy changes.

Only Arkansas fully implemented a work requirement before it was stopped, resulting in over 18,000 people (about 25% of those subject to the policy) losing Medicaid coverage with no significant gain in employment. As policymakers prepare for a potential second Trump administration in 2025, there is growing interest in modernizing the implementation of Medicaid work requirements to avoid past pitfalls. Advanced technology solutions – such as those offered by CITIZ3N (a Softheon subsidiary) – can play a decisive role in improving how states administer, monitor, and sustain these programs. This white paper outlines how CITIZ3N's VERIFY platform offers a proven, government-ready solution for meeting OBBBA's mandates. Through detailed case studies, including Mississippi's groundbreaking Fraud and Abuse Module (FAM) and CMS-certified implementations in other states, this paper demonstrates how technology can balance regulatory rigor with administrative efficiency. With integrated modules for asset verification, fraud detection, work compliance, and exemption automation, CITIZ3N is uniquely positioned to help states implement these requirements equitably, responsibly, and at scale.

2. Technology as a Policy Enabler

The implementation of federally mandated Medicaid work requirements under the OBBBA presents not only a regulatory challenge but a technological imperative.

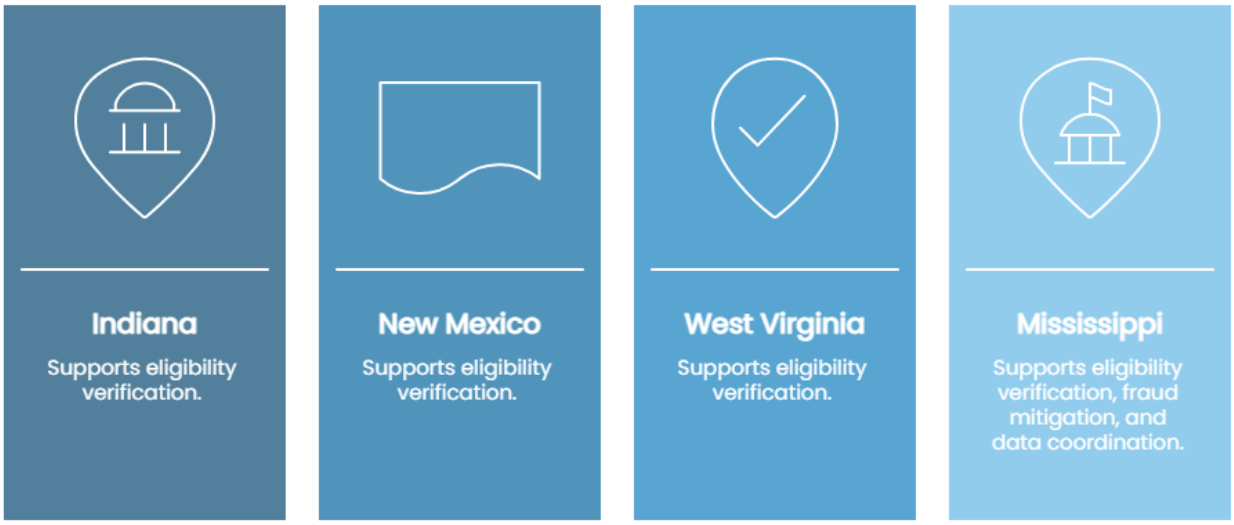
States are tasked with verifying hours of employment, training, or other qualifying activities every month for a large and diverse beneficiary population, all while processing exemptions, appeals, and changes in status. Meeting these demands manually would be both inefficient and prone to errors, risking delays in care or wrongful terminations. As a result, states require agile and scalable solutions that can handle the dynamic nature of eligibility, integrate with multiple data sources, and deliver real-time decision support—all while remaining compliant with Centers for Medicare & Medicaid Services (CMS) requirements.

CITIZ3N's VERIFY platform is purpose-built to address these exact needs. Designed to align with the Medicaid Information Technology Architecture (MITA) framework and fully CMS-compliant, VERIFY is a modular, cloud-native system that automates the most complex components of eligibility determination. The platform features configurable rules engines, exemption logic automation, secure data exchange with employment, wage, and education systems, and seamless integration with state eligibility portals and case management tools. Unlike legacy systems that require months of custom development, VERIFY arrives pre-integrated with core modules like Asset Verification (AVS), Fraud Detection, and Work Engagement Monitoring—allowing states to accelerate implementation timelines and reduce administrative overhead.

What truly sets CITIZ3N apart is its proven track record of successful deployments in real-world Medicaid environments. Our technology is already in use in Indiana, New Mexico, West Virginia, and Mississippi, where it supports eligibility verification, fraud mitigation, and cross-agency data coordination.

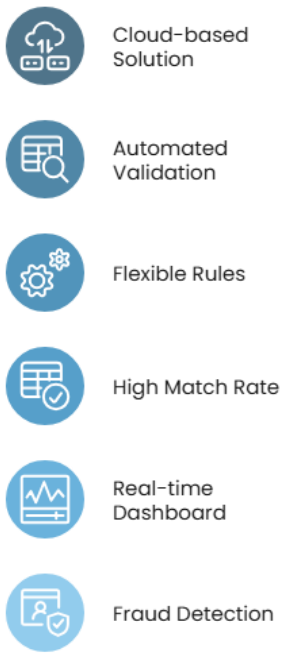
In Mississippi, the Fraud and Abuse Module has not only reduced false positives by more than 30%, but also led to faster fraud investigations and increased recovery efficiency. These results are not hypothetical—they are verified by CMS audits and internal performance reviews.

With its combination of speed, compliance, and flexibility, CITIZ3N offers states a ready-now solution to meet OBBBA's mandates, uphold program integrity, and modernize their Medicaid infrastructure in a way that is both scalable and sustainable.



3. Case Study Spotlight: Mississippi's Fraud and Abuse Module

In response to the need for stronger program integrity and real-time eligibility verification, the Mississippi Divisions of Medicaid and Human Services collaborated with CITIZ3N to deploy the VERIFY platform as part of the state's modernization of the state's Asset Verification System (AVS) and related fraud detection infrastructure. This implementation aimed to support more accurate, timely eligibility determinations for Medicaid and Health and Human Services (HHS) program applicants and enrollees, while also laying the foundation for more robust oversight of financial disclosures and potential program misuse.



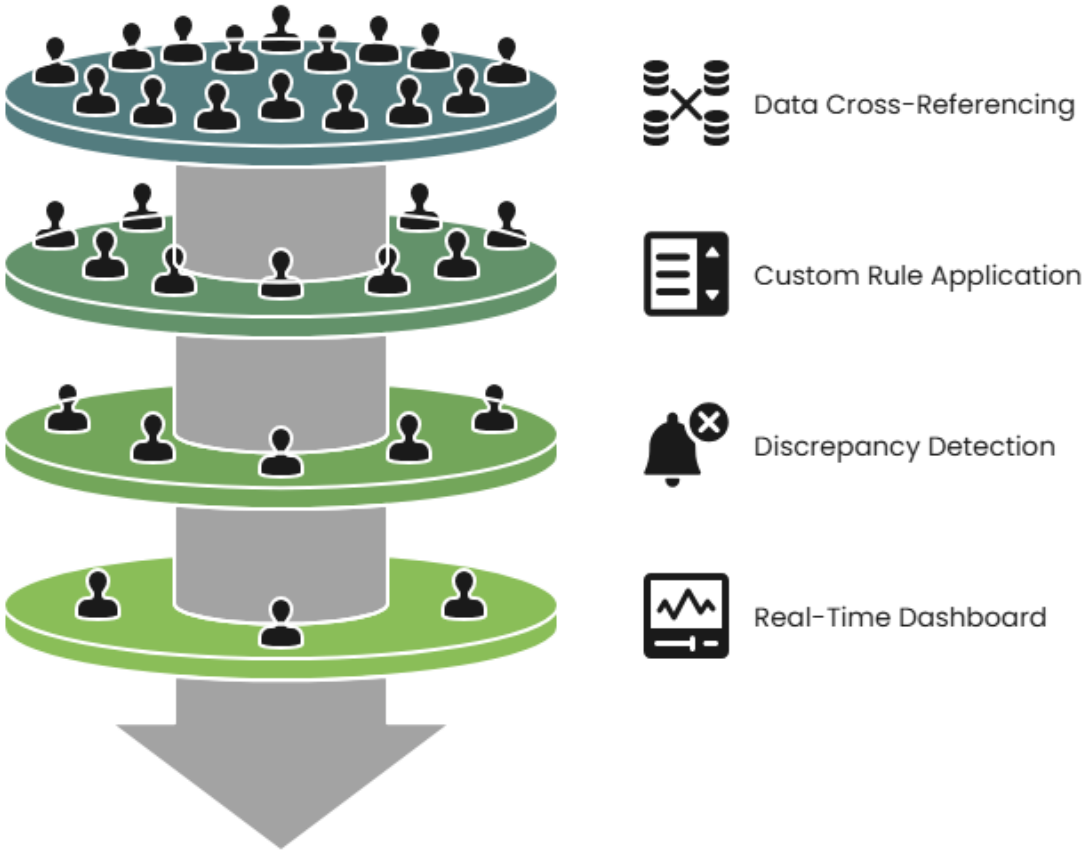
The VERIFY platform introduced a cloud-based, modular solution that integrated with Mississippi's core eligibility system and backend data sources.

It enabled near-instantaneous validation of applicant-reported assets—bank accounts, real property, and other financial holdings—by automatically cross-referencing data across a network of financial institutions and public records. These verifications replaced time-intensive manual processes, allowing for greater throughput in eligibility decisions and reduced burden on frontline staff.

The platform's flexible rules allowed Mississippi to define custom logic for asset thresholds, documentation needs, and program-specific workflows—all while remaining compliant with CMS regulations.

Technologically, the deployment of VERIFY in Mississippi marked a success in several key areas. The system achieved a high match rate with external data sources, improved the accuracy of asset disclosures, and allowed for automated alerts when discrepancies were detected. It featured a real-time dashboard interface for eligibility workers and program administrators, enabling faster triage and resolution of potential issues.

By leveraging pre-integrated fraud detection tools within the platform, Mississippi was able to begin laying the groundwork for future enhancements such as cross-program analytics and referrals to enforcement entities. This deployment not only demonstrated CITIZ3N's ability to meet stringent Medicaid technology requirements, but also provided the state with a scalable architecture for ongoing modernization across its eligibility systems.



4. Additional State Successes

Beyond Mississippi, CITIZ3N's VERIFY platform has demonstrated measurable success in other state Medicaid programs—particularly in Indiana, West Virginia, and New Mexico. Each deployment reflects the platform's flexibility, scalability, and ability to support a range of Medicaid modernization goals, including compliance with federal mandates, enhanced eligibility verification, and real-time data exchange. These implementations not only validate the technical strengths of VERIFY, but also serve as reference points for other states preparing for the requirements introduced in the OBBBA.

In Indiana, CITIZ3N supported enhancements to the state's Healthy Indiana Plan (HIP). The state's HIP 2.0 required certain Medicaid beneficiaries to participate in employment, job training, or education activities as a condition of eligibility.

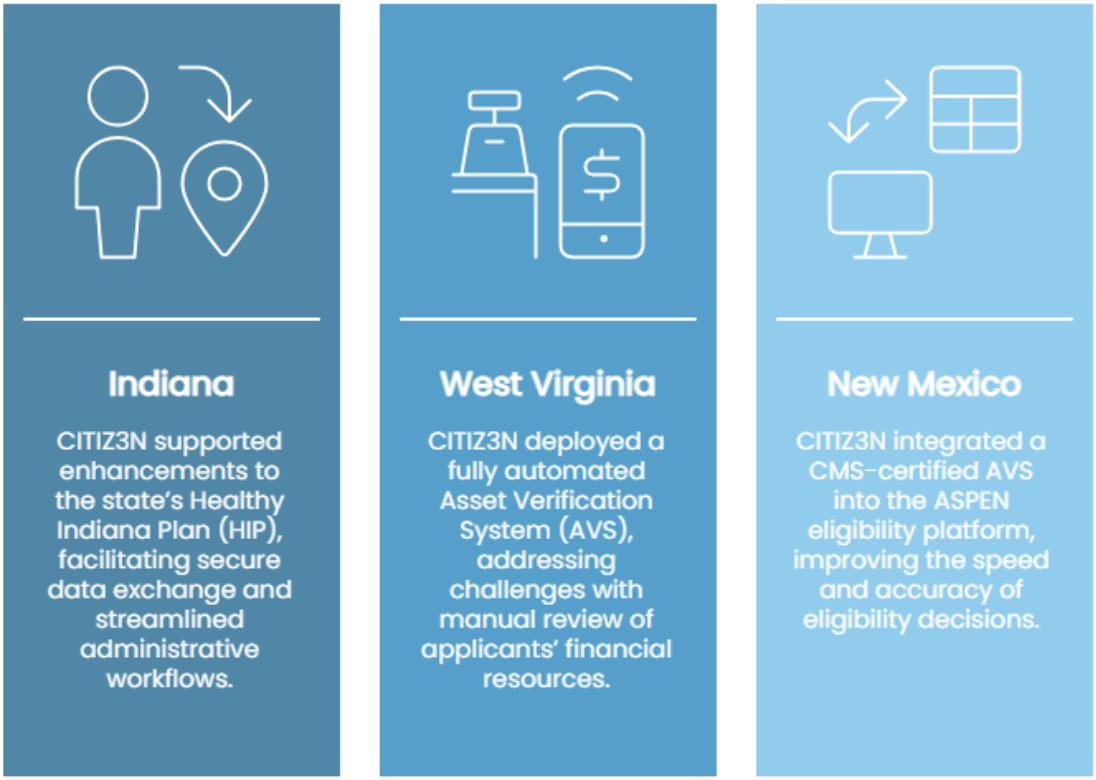
The VERIFY platform facilitated secure data exchange, and streamlined administrative workflows for both beneficiaries and caseworkers.

West Virginia partnered with CITIZ3N to deploy a fully automated Asset Verification System (AVS), addressing longstanding challenges with the manual review of applicants' financial resources. Using VERIFY's real-time data integration with financial institutions, the system performed secure and automated bank account lookups for individuals applying for long-term care and other Medicaid categories that require resource-based eligibility. This modernization helped West Virginia reduce application processing times, improve the accuracy of eligibility determinations, and ensure compliance with CMS's AVS requirements. By removing the need for paper bank statements and manual reconciliation, the state improved program integrity and freed up caseworker capacity for higher-value tasks.

In New Mexico, CITIZ3N collaborated with the state's Human Services Department (HSD) to integrate a CMS-certified AVS into the ASPEN eligibility platform. The VERIFY system's interoperability and MITA-aligned architecture enabled seamless data sharing across ASPEN and external asset verification networks. Through this integration, New Mexico improved both the speed and accuracy of eligibility decisions.

The platform's audit trails ensured a high degree of transparency and compliance. New Mexico's experience further illustrates how states can achieve CMS certification and operational excellence with the support of modern, modular platforms like VERIFY.

Together, these examples underscore CITIZ3N's role as a trusted technology partner to state Medicaid agencies. Each deployment showcases not just technical implementation, but also policy alignment, operational improvement, and a commitment to enabling states to serve beneficiaries more effectively.

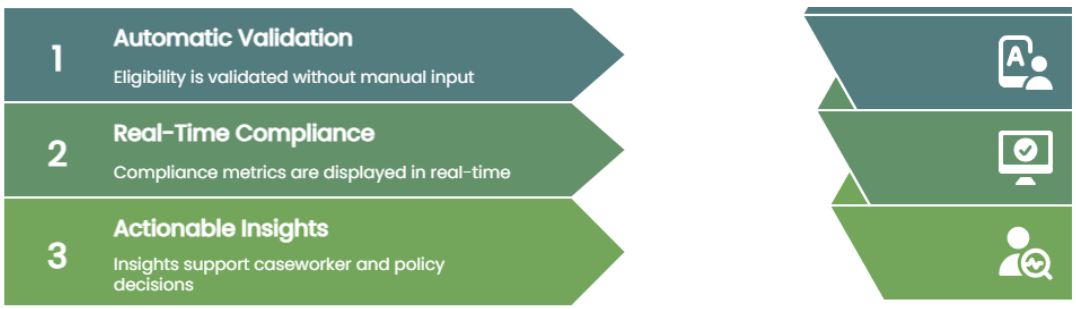


5. What CITIZ3N Brings to the Table

CITIZ3N's VERIFY platform offers a highly modular and scalable Eligibility & Community Engagement Engine that empowers states to manage compliance with complex federal and state eligibility requirements, such as those outlined in the OBBA (One Big Beautiful Bill).

At the core of this engine is a configurable rule engine, designed to be fully UI-driven so policy staff can update eligibility criteria without coding. This includes the ability to define nuanced rules—such as requiring 80 hours of work per month for able-bodied adults—as well as to delineate categories eligible for automatic or condition-based exemptions. These may include, for example, exemptions for pregnant individuals, veterans, those with disabilities, and other vulnerable populations. States can also enable good-cause waivers for members who fail to meet requirements due to unforeseen events like medical emergencies, caregiving obligations, transportation breakdowns, or natural disasters such as hurricanes or blizzards, all without the need for legislative system reconfigurations.

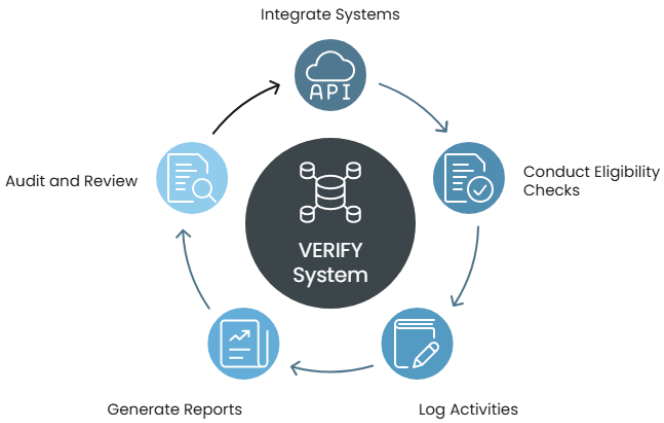
To reduce the administrative burden on both members and state staff, VERIFY leverages passive data integration through APIs that connect with key systems such as state wage databases, employment registries, SNAP and TANF systems, educational enrollment platforms, and caregiving/workforce licensing registries. This ensures automatic eligibility validation and minimizes the need for manual document collection. Furthermore, a real-time compliance dashboard offers comprehensive visibility across member and population levels, displaying metrics like submitted and pending hours, upcoming compliance deadlines, members at risk of non-compliance, and aggregate exemption rates. These dashboards support both micro-level caseworker management and macro-level policy oversight by providing actionable insights that are refreshed continuously.



In tandem, the platform incorporates a Robust Communication & Outreach Suite that ensures members are kept informed and engaged through multiple channels. This includes automated, rule-based notifications via SMS, email, and postal mail, which are especially crucial given that many members may not be auto-enrolled and must proactively verify their status.

The system supports adaptive messaging, so the content and urgency of communications are tailored to the member's real-time compliance status—such as a prompt to upload documents for an exemption, a warning for missing hours, or a confirmation of received information. Members also benefit from a secure, intuitive self-service portal, where they can check their status, log work or volunteer hours, upload supporting documentation such as time-stamped photos or PDFs, and initiate live chat support or schedule virtual appointments with caseworkers. For program administrators and eligibility specialists, VERIFY includes a dedicated staff-facing case management interface, enabling staff to easily view incoming inquiries, verify documents, flag issues, and proactively reach out to members approaching disenrollment risk.

Supporting all these capabilities is VERIFY's Data-Sharing & Compliance Backbone, which ensures seamless interoperability with existing systems while maintaining a strong focus on privacy, auditability, and accountability. It enables secure, standards-based API integration with a wide range of interagency systems, including workforce development programs, SNAP and Medicaid databases, education platforms, and housing assistance systems.



This interconnected infrastructure supports ongoing eligibility checks and reduces redundancies that often plague siloed program operations.

VERIFY also includes built-in tools for automated audit logging and federal/state reporting, maintaining a detailed activity log that captures user actions, system responses, and document changes—key for CMS audits, performance reviews, and addressing potential administrative burden concerns. Moreover, VERIFY provides integration adapters for states' existing Medicaid eligibility platforms, reducing implementation costs and timeframes by avoiding full system overhauls.

From an operational standpoint, VERIFY supports a phased roll-out model that allows states to start with pilot programs in selected regions or specific population segments.

Lessons learned during these pilot phases inform broader roll-outs, improving efficacy and minimizing disruption. A continuous improvement loop—driven by member feedback, compliance analytics, and administrative insights—enables states to refine program operations over time. Change management and training resources are also included, equipping state personnel with onboarding guides, best practices, and glossaries that explain nuanced federal and state policy concepts, such as the difference between good-cause exemptions and automatic eligibility exclusions. As policies evolve, VERIFY offers SLA-backed technical support and proactive maintenance, ensuring the platform stays current with regulatory updates and federal rulemaking through automated configuration updates and version-controlled deployment of rule changes.

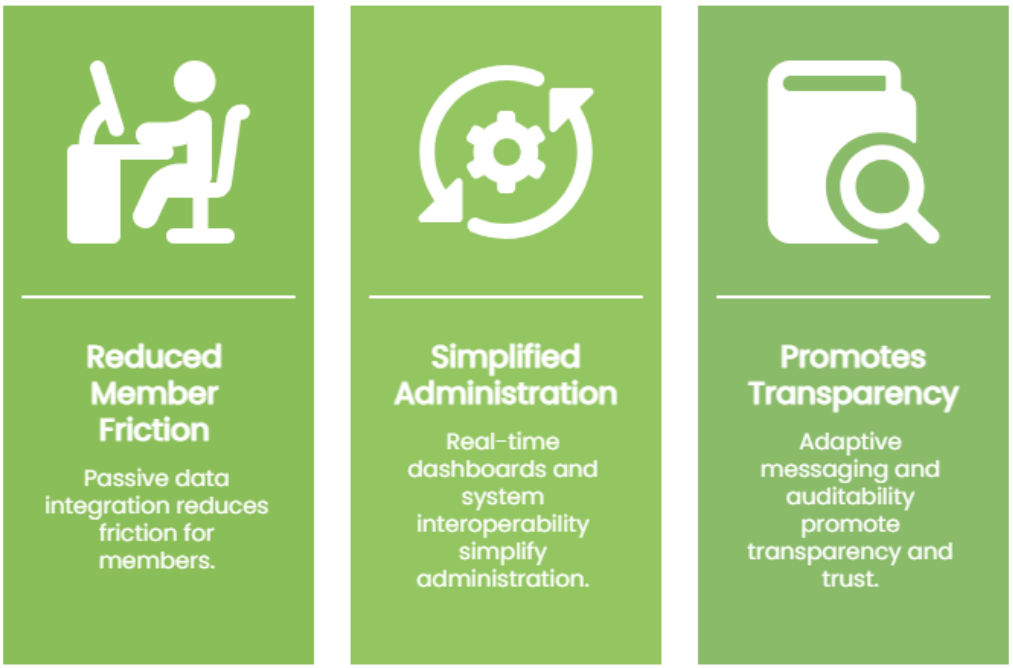
The platform is intentionally designed with equity, accessibility, and member-centric values at its core. All member-facing materials and systems are designed to be multi-language and ADA-compliant, supporting accessibility for users with visual, cognitive, or literacy-related barriers. Content is also tailored to ensure usability among individuals with low digital literacy.

The platform uses an exemption-first workflow, so individuals flagged as likely to qualify for an exemption are routed into a streamlined process that removes the requirement to log hours altogether, minimizing friction and compliance risks. Recognizing the ongoing digital divide, VERIFY also enables states to provide offline support, including field-based staff interventions, postal mail correspondence, and in-person outreach events at community centers or public benefit offices.

Finally, VERIFY delivers comprehensive analytics, reporting, and oversight capabilities, enabling states to monitor both compliance performance and program outcomes. Dashboards allow administrators to track work-hour submissions, exemption processing rates, and disenrollment trends—providing early warning for potential unintended losses of coverage. Over time, VERIFY supports longitudinal outcome tracking, assessing downstream effects such as reenrollment patterns, member churn, program savings, and the broader impact of exemption policies.

These insights are compiled into regular reporting deliverables that can inform policy updates, stakeholder presentations, and federal compliance submissions.

With its modular architecture, automated verification capabilities, robust communication tools, and equity-forward design, VERIFY equips states with a turnkey solution to implement OBBA work and exemption requirements effectively. It reduces member friction through passive data integration, simplifies administration through real-time dashboards and system interoperability, and promotes transparency and trust through adaptive messaging and auditability. Altogether, VERIFY empowers states to operate more efficiently, maintain critical coverage for vulnerable populations, and ensure fair and effective program administration in an increasingly complex policy landscape.



6. CITIZ3N's Approach to Work Requirements

Implementing work requirements under the OBBA demands more than just policy compliance—it requires precision, automation, and clarity in determining which Medicaid beneficiaries are subject to the new obligations and which individuals qualify for exemptions. CITIZ3N's VERIFY platform is engineered to help states execute this determination process accurately and at scale, minimizing manual workloads while protecting eligible individuals from inappropriate coverage loss.

Our approach centers around a systematic, data-driven process to help states clearly and consistently determine:

- **Who is subject to work requirements** (i.e., able-bodied adults not qualifying for exemptions), and
- **Who is exempt** based on statutory, administrative, or condition-based criteria.

This foundational determination process is integrated into four key solution components:

1. Automated Classification of Work Requirement Status

The VERIFY platform begins with an **intelligent eligibility classification layer** that automatically categorizes Medicaid members based on state and federal policy criteria. This process involves:

- **Screening for exemption indicators** such as age, pregnancy, disability status, caregiving responsibilities, full-time education enrollment, recent trauma or displacement, and more.
- **Using connected systems** (e.g., SNAP, TANF, education, disability registries) to passively validate exemption eligibility, minimizing documentation burdens on members.
- **Classifying remaining individuals** as subject to work requirements and initiating the appropriate compliance workflows.

States can fully configure the exemption logic within VERIFY, including the ability to update definitions or create temporary waivers based on local events (e.g., natural disasters, economic disruptions).

2. Policy-Driven Rule Engine for Work Compliance and Exemptions

Once individuals are accurately classified, VERIFY applies a **configurable, no-code rules engine** to manage and enforce work requirement compliance. States can:

- Set OBBA-aligned thresholds (e.g., 80 hours/month) and define which activities qualify (e.g., work, job search, education, volunteering).
- Designate permanent, conditional, or time-limited exemptions without IT intervention.
- Define "good cause" criteria to account for temporary barriers such as illness, family emergencies, or transportation issues.

This engine ensures compliance determinations are consistently enforced across systems while remaining responsive to changes in law, policy, or real-world conditions.

3. Passive Verification Through Data Integrations

To reduce the need for manual self-reporting and limit wrongful disenrollment, VERIFY connects to a wide array of data sources via secure APIs to **passively verify member compliance** or exemption status:

- **Employment and wage databases** (e.g., new hire registries, UI wage files)
- **Public assistance programs** (e.g., SNAP, TANF, housing assistance)
- **Educational and vocational training platforms**
- **State disability and licensing registries**

This infrastructure enables real-time eligibility determinations and reduces reliance on member-submitted paperwork, which has historically been a leading cause of procedural terminations.

4. Adaptive Outreach and Integrated Case Oversight

Ensuring that members understand their obligations—and their options—is critical to fair implementation of work requirements. VERIFY supports:

- **Multi-channel, multilingual outreach**, with escalating alerts tailored to real-time compliance status (e.g., missed hours, upcoming deadlines, exemption request needed).
- **Secure member self-service portals**, allowing users to track status, upload documents, or request assistance.
- **Caseworker interfaces and dashboards**, where staff can intervene proactively, review exceptions, resolve documentation issues, and escalate good-cause waivers as needed.

By operationalizing work requirements in a policy-aligned, tech-enabled framework, CITIZ3N gives states the tools to implement these complex mandates responsibly and effectively. With VERIFY, states can accurately determine who is subject to work requirements, automate compliance tracking, and safeguard continuity of coverage for those who remain eligible.

Characteristic	Subject to Work Requirements	Exempt
Determination	Intelligent eligibility classification layer	Screening for exemption indicators
Rule Engine	Configurable engine for compliance	Designate exemptions without IT intervention
Verification	Employment and wage databases	Public assistance programs
Outreach	Alerts tailored to compliance status	Secure member self-service portals

7. A Roadmap for Implementation

Successfully implementing Medicaid work requirements and associated eligibility rules under the OBBBA requires a disciplined, phased approach. CITIZ3N recommends that states adopt a four-phase implementation roadmap designed to minimize risk, accelerate time to compliance, and ensure the solution is tailored to each state's operational and policy environment.

The first phase, **Policy Mapping and Gap Analysis**, involves aligning the state's existing Medicaid eligibility rules with the new federal mandates, identifying operational gaps, and mapping exemption criteria.

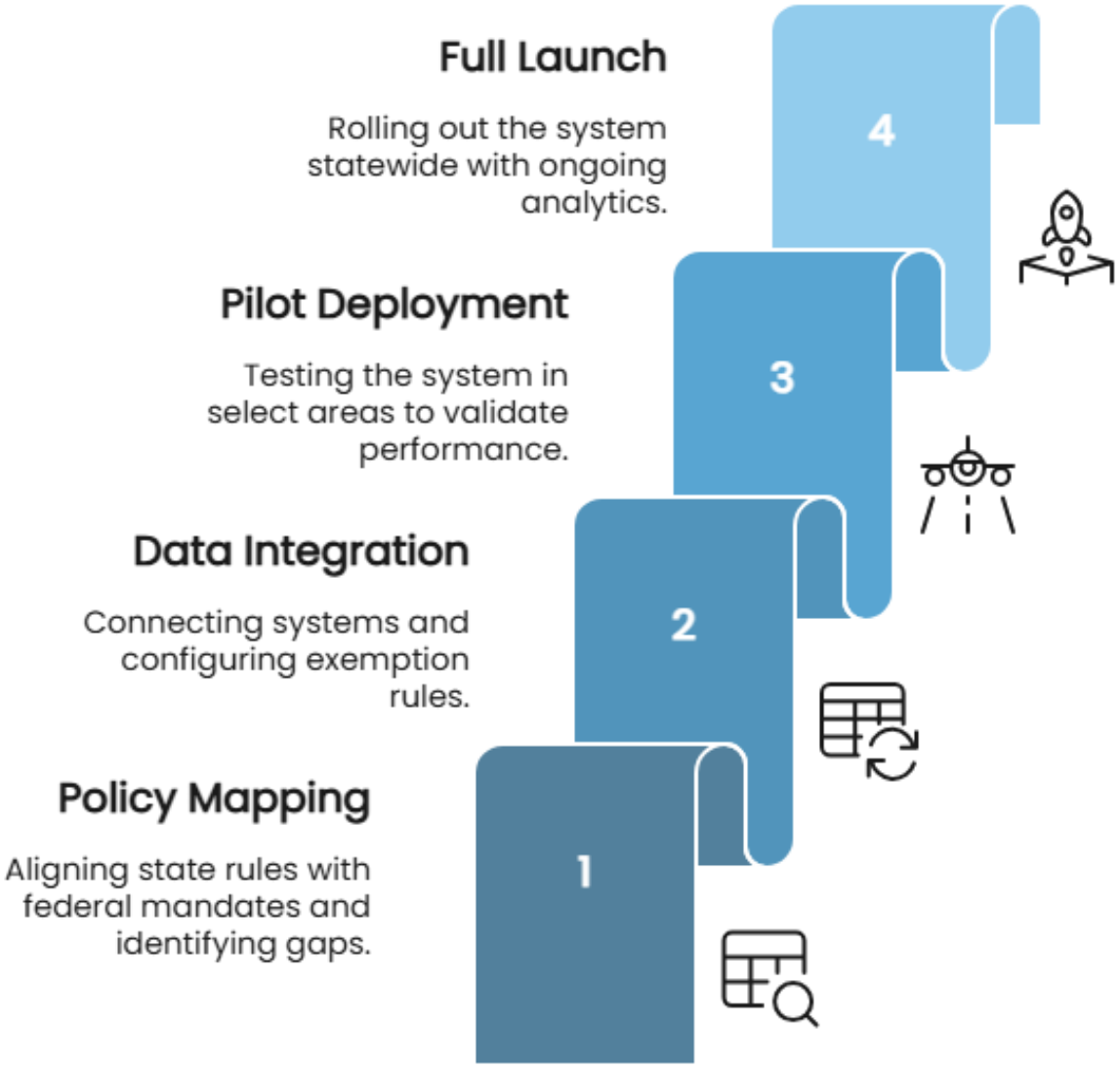
CITIZ3N supports states by offering policy analysis tools, templates, and workshops to accelerate this step and ensure that legal, procedural, and system-level requirements are fully understood and documented.

Next, in the **Data Integration and Exemption Logic Configuration** phase, CITIZ3N collaborates with state IT teams to connect VERIFY with core eligibility systems, employment and education databases, and other verification data sources. States configure exemption rules using VERIFY's flexible logic engine, allowing for automated determinations for individuals who meet federally permitted exemptions (e.g., pregnancy, disability, caregiving).

During **Pilot Deployment and Validation**, CITIZ3N supports a limited release of the system—either in select counties or beneficiary cohorts—to test rule application, interface usability, and integration accuracy. This phase is critical for validating system logic, resolving edge cases, and refining performance prior to statewide launch.

Finally, in the **Full Launch with Ongoing Analytics** phase, CITIZ3N enables a comprehensive rollout supported by real-time analytics dashboards, audit trail capture, and performance monitoring. The system continuously evaluates exemption processing, work requirement compliance rates, and procedural fairness, helping the state meet its CMS oversight obligations.

CITIZ3N provides expert support throughout each of these four phases, including implementation templates, technical onboarding, rule configuration, stakeholder training, and post-launch refinement. This structured approach ensures that states can confidently meet OBBBA requirements while safeguarding access, reducing administrative burden, and preserving the integrity of their Medicaid programs.



8. Technology Aspects of Modernized Implementation

Email and Secure Portals: Email can be used for those who prefer it, especially younger or more connected enrollees. States can offer the option to opt into e-notices instead of paper. Many states have online portals where beneficiaries can log in to see notices and submit info; these portals should have clear alerts or dashboards showing their current work requirement status (e.g., "You have met the requirement for March" or "Action needed: report April activities"). If a state has a mobile app for Medicaid or integrated benefits (some states do), that's another channel for push notifications.

In-Person and Community Channels: Not all communication can be digital. For populations that are homeless or in very rural areas, partnering with community organizations (clinics, food banks, shelters, churches) to disseminate information is crucial. This is part of stakeholder engagement (discussed in Section 5.3), but from a tech perspective, even community assisters can use tools – e.g., a community health worker with a tablet could have an app that shows who in their caseload needs a reminder or can help them log hours on the spot.

Plain language and multilingual support: A modern approach uses user-centered design for all messages. States should test notices and texts with actual users to see if they understand them. Messages should be in the primary language of the enrollee; many systems can template and auto-translate content. Key communications may need to be in at least Spanish (in most states) and other prevalent languages, as well as accessible to people with disabilities (for example, TTY lines for deaf/hard-of-hearing for calls, or screen- reader compatible emails).

Why multichannel matters: People have different preferences and reliable modes. Younger adults might respond quickly to a text but toss aside a letter. Older adults might still open mail but ignore texts. Using multiple channels increases the likelihood the message gets through. In Arkansas, some enrollees never opened the mailed notices, or they did but didn't understand them. If they had also gotten a text summary or a phone follow-up, maybe more would have been aware.

9. Meeting the Moment with Confidence, Compassion, and Capability

The re-emergence of Medicaid work requirements under the OBBA presents state Medicaid agencies with one of the most consequential eligibility policy shifts in over a decade. These new federal mandates do more than set regulatory expectations—they create a new operating reality in which states must demonstrate monthly compliance, audit readiness, and procedural fairness for millions of individuals navigating complex life circumstances.

For states, this moment represents a dual imperative: to enforce compliance with consistency and rigor, and to do so without compromising coverage for those who qualify for care. Meeting this challenge requires more than updating eligibility policy or tweaking legacy systems—it requires a strategic shift toward technology-enabled eligibility governance.

CITIZ3N's VERIFY platform is purpose-built for this challenge. It offers states a CMS-compliant, MITA-aligned infrastructure that automates the administration of work requirements from end to end: from classifying who is subject to the mandate and identifying exemptions, to verifying compliance passively through trusted data sources, and engaging members with timely, accessible communication across multiple platforms.

But modernization is not simply about compliance—it is about doing compliance well. VERIFY prioritizes equity, transparency, and administrative simplicity by reducing manual processes, integrating real-time data validation, and ensuring that individuals who qualify for exemptions—such as full-time caregivers, pregnant individuals, or those facing hardship—are not lost in the system. With exemption-first workflows, multilingual and ADA-compliant communications, and support for both digital and offline channels, the platform is designed to work for all members, not just the most connected or resourced.

CITIZ3N also brings an unmatched level of readiness. With successful implementations across Indiana, Mississippi, West Virginia, and New Mexico, VERIFY has demonstrated its ability to support states with scalable, policy-aligned modernization that delivers measurable results—whether it's reducing false positives in fraud detection, accelerating eligibility decisions, or improving transparency and control over compliance processes.

In this evolving landscape, states need more than just vendors—they need partners. CITIZ3N stands ready to support agencies through every phase of modernization, from policy mapping and systems integration to real-time analytics and federal reporting. Our solutions are not hypothetical, untested, or one-size-fits-all. They are field-proven, flexible, and grounded in the realities of Medicaid operations.

As the OBBBA ushers in a new era of eligibility policy, CITIZ3N empowers states to implement work requirements with both precision and humanity. We help states navigate the intersection of compliance and compassion, ensuring that the promise of Medicaid—to serve as a vital safety net for those in need—remains intact and sustainable.

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