Key Functional Requirements for Community Engagement Implementation

Purpose:

This document refreshes the December 18, 2025, Community Engagement (CE) MVP feature and functional-requirements checklist to reflect some key requirements established by the CMS-2454 Interim Final Rule with Comment Period (CMS-2454-IFC). It is intended for State IT staff and vendors building or modifying Medicaid eligibility and enrollment (E&E) systems to implement the CE requirement. States and vendors should read the CMS-2454-IFC guidance in full for additional details and clarity before implementing any system changes.

The original checklist described pre-decisional functional expectations developed before the IFC was published. This refresh incorporates the IFC guidance directly into the revised functional requirements for each feature area, reflecting where the IFC changes a previously shared expectation or adds detail that extends or clarifies it. This is not an exhaustive treatment; states and vendors should review the CMS-2454-IFC guidance in full.

States retain the flexibility to design workflows, channels, and subsystems that fit their existing infrastructure and policy choices. Not every function described will be required or relevant in every state. Some capabilities reflect underlying statutory or regulatory obligations (e.g., accepting online applications and renewals), while others are presented as alternative approaches or leading practices that can help states achieve compliance while improving beneficiary experience, monitoring, and program integrity over time.

This document does not represent an exhaustive list of all considerations relevant to CE implementation requirements. Completion of all items does not guarantee CMS policy compliance or systems approval; it is intended as an optional tool to help ensure that states, vendors, and other stakeholders are working from a shared understanding of expectations for systems' functionality.

Features	Functional Requirements	MVP?
Application	Modify the State's MAGI-based applications (e.g., health coverage-only applications, multi-benefit applications, and, where applicable, presumptive eligibility forms) to support CE requirements. The updates should ensure CE-related questions collect information to conduct necessary verifications, and request/collect supporting auditable self-declaration documentation at the point of application and integrated into downstream eligibility determinations and system logic. These functionality expectations currently include: • Add or update application questions on work and qualifying activities and hours, and on whether applicable individuals qualify for CE exceptions or exclusions (e.g., medical frailty screening, veteran status) • Structure self-declaration and attestation collection to reflect the tiered use of "other information": ◦ Through 2027, accept a self-declaration to verify CE compliance, exceptions, and exclusions when reliable information is unavailable ◦ Beginning January 1, 2028, obtain documentation where reasonably available and accept other information only when documentation does not exist or is not reasonably available • For medical frailty, accept other information such as a completed medical screener once per enrollment period beginning January 1, 2028, then verify through an electronic data source or documentation at the next renewal • Incorporate CE screening into presumptive eligibility (PE) intake forms and qualified-entity workflows for adult group or hospital PE: ◦ Obtain an attestation and assess whether the individual appears to be a specified excluded individual, an applicable individual, or eligible for an exception ◦ For an applicable individual, assess whether they met the CE requirement for the State-elected number of months (1, 2, or 3) before the PE application	**Yes**
Audits	Implement auditing and recordkeeping capabilities across eligibility and case management systems to support oversight of CE determinations, including but not limited to compliance, deemed compliance or qualification for an exclusion, verifications, and adverse actions. Systems must ensure that each individual's case record contains the required documentation to substantiate eligibility decisions, consistent with federal recordkeeping requirements. All CE-related evidence must be retained in an auditable, accessible format to support QA, appeals, and audits, including PERM. These functionality expectations currently include: • Maintain an audit log of CE-related decisions (e.g., applicable individual status, exception or exclusion approvals, compliance assessments, disenrollment triggers) • Capture system- and worker-initiated CE actions with time and date stamps and outcome codes • Store supporting documentation (e.g., verification evidence, forms, notices) in an auditable format • Align audit logs with PERM record retention and retrieval standards for CE populations • Build automated QA review reports to flag CE inconsistencies or incomplete documentation • Create CE-specific audit views and extract files for CMS or external audit entities • Integrate the CE audit trail with State-level program integrity and risk management systems • Align the audit record for each CE decision with the State's CE verification plan supplement so audit and PERM extracts show how and why each determination was made • Record each medical frailty reverification event, which must occur at least every 12 months, including the date, basis, and evidence type • Retain any attestation used as other information to support verification of exclusions, exceptions, or compliance	**Yes**

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Call Center	Revise and develop call center scripts, worker guidance, and automated call tree options to support accurate and consistent communication about CE requirements. As CE is implemented, applicants and beneficiaries will have questions about the requirement to meet community engagement requirements, including questions regarding the applicability of the requirement, exclusions, qualifying activities, exceptions, compliance tracking, documentation, and disenrollment. Systems should be updated to reflect CE terminology in automated messages, routing logic, and worker-facing FAQs. Caseworkers and customer service representatives should also be equipped with clear scripts and escalation procedures to respond to inquiries and provide assistance. These functionality expectations currently include: • Update IVR (interactive voice response) menus, as applicable, to include CE-related topics and routing options • Develop standardized call scripts for frontline staff addressing CE compliance, exceptions, exclusions, and notices • Revise electronic caseworker FAQs to include CE-specific guidance and process flows • Train staff on CE-related eligibility impacts and documentation requirements • Implement escalation protocols for complex CE cases or unresolved beneficiary questions • Monitor call logs and scripts for accuracy, clarity, and beneficiary satisfaction • Enable staff to capture CE information and accept documentation by phone, including a telephonic signature, and treat the call center as an auditable outreach channel • Expose a hardship request path only for the request-based short-term hardships (medical-acuity and treatment or travel), which carry appeal rights, not for disaster or high-unemployment hardships, which apply automatically • Where the State elects the short-term hardship exception, include information about it in scripts and outreach	**Yes**

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Caseworker Portal & Case Management Updates	Update the State's caseworker portal and/or case management systems to support manual review and intervention when CE-related eligibility determinations cannot be fully resolved through automated processes. While core CE logic will apply at application, renewal, and changes in circumstances, often without worker interaction, systems must also allow caseworkers to view CE-related fields, review documentation, and initiate or override workflows when required. These capabilities are essential for cases that require manual verification, exclusion adjudication, or appeals processing, and must be fully integrated with the underlying eligibility logic to ensure consistency across automated and worker-assisted scenarios. These functionality expectations currently include: • Add fields, logic, and workflow steps in the caseworker portal to identify applicable individuals and to collect, verify, and process information on CE activities, exceptions, and exclusions, including verification and documentation prompts • Consolidate CE hours across work, work programs, education, and community service • Enable upload and tracking of CE-related verifications, including documentation where applicable • Provide workflows to review and validate self-declarations or documentation for CE participation, exclusions, or exceptions • Display dashboards highlighting CE status, compliance actions, and renewal timelines • Support worker initiation or override of CE workflows (e.g., granting exclusions), with escalation of complex or unresolved cases for supervisory or policy review • Integrate CE data with existing case notes, appeals tracking, and eligibility reporting systems • Treat at least half-time educational enrollment as independently satisfying CE, and aggregate education hours with other activities only when enrollment is less than half-time • Check reliable information for all applicable exclusions before assessing compliance or prompting for documentation, applying an exclusion whenever sufficient information exists even if the individual also demonstrates compliance • Support enroll-then-verify: when compliance is met but an exclusion remains pending, enroll promptly and place confirmation of the exclusion in a post-enrollment verification queue • Apply the caregiver exclusion for a parent, guardian, caretaker relative, or family caregiver of a dependent child age 13 or under or a disabled individual, where a family caregiver qualifies as one of: ◦ Resides in the same household as the care recipient and provides care regularly and not solely incidentally, with no minimum hours per month ◦ Is a relative of the care recipient but does not reside in the household and provides care regularly and not solely incidentally, with no minimum hours per month (relative uses the caretaker-relative relationships at §435.4, plus husband, wife, son, daughter, grandson, and granddaughter) ◦ Does not reside with and is not a relative of the care recipient and provides at least 80 hours of caregiving per month, more than solely incidental	**Yes**

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Features	Functional Requirements	MVP?
Change in Circumstance Updates	Update eligibility systems process beneficiary reported changes in circumstances that may affect eligibility, such as newly becoming an applicable individual or experiencing a change in status as a specified excluded individual Where appropriate, assess CE compliance, trigger notices, and follow the appropriate eligibility pathway. These functionality expectations currently include: • Modify change-reporting workflows in all required modalities to collect CE-related data fields (e.g., hours worked, new caregiving responsibilities) • Route individuals through the appropriate eligibility pathway following a status change • Log CE compliance and specified-excluded-status determinations for auditing and reporting • When a reported change makes an individual an applicable individual mid-period, set the review period from the most recent determination or redetermination through the end of the month before they became applicable	**Yes**
Citizen or Client Portal	Develop application, change reporting, and renewal workflows in the citizen portal to support CE requirements, including the ability for beneficiaries to report qualifying activities and identify applicable exceptions or status as a specified excluded individual. The portal should guide users through CE-related questions, allow manual reporting of hours across work, work programs, education, or community service, and accept self-declaration when verification using data or documentation is unavailable. It could display real-time CE compliance status, upcoming deadlines (e.g., renewals), and provide user-friendly CE education and guidance that meets accessibility standards. Where appropriate, the portal should also facilitate referrals to employment, work programs, education, or volunteer support programs and track outcomes. These functionality expectations currently include: • Add fields, logic, and workflow steps in the citizen portal to identify applicable individuals and to collect, verify, and process information on CE activities, exceptions, and exclusions, including verification and documentation prompts • Update eligibility workflows to identify applicable individuals and assess CE requirements • Enable applicants and beneficiaries to report qualifying activities, complete screening tools for exclusions as needed, and upload documentation • Add CE education, FAQs, and guidance to the citizen portal • Display CE compliance status and key deadlines (e.g., renewal dates) on beneficiary dashboards • Do not deny or terminate solely because documentation cannot be produced where none exists or is reasonably available; provide a document-upload and “other information” path that keeps the case moving • Allow the individual, or someone acting on their behalf, to request the request-based short-term hardships (medical-acuity and treatment or travel) through the portal: ◦ Provide notice of how and when to request, and issue a timely determination ◦ Provide notice of the determination, including the anticipated end date if granted, and a path to appeal an adverse determination	**Yes**

Features	Functional Requirements	MVP?
Closed Loop Referral Systems Integration (new)	Develop workflows to integrate electronic referrals and tracking of services including employment, work programs, education, and volunteer supports that help beneficiaries meet CE requirements. States may include supports for individuals subject to CE to be connected to qualifying activities and services so that their participation in these programs is captured, verifiable, and the specific service was provided and reportable by the recipient service provider(s). This task may involve leveraging CE service vendors to build electronic referral pathways to and between State, employment and community service providers, track engagement and outcomes in workforce activities and community-based programs over time and enable bidirectional standardized data flows between eligibility systems and support providers. Efforts may also include proactively analyzing needs and informing beneficiaries of available supports, how to access them, and how participation impacts their Medicaid eligibility. These functionality expectations currently include: • Enable individuals to be connected to work, work programs, volunteer, or education opportunities based on factors that align them to those opportunities • Enable caseworkers to electronically coordinate, communicate, track, and report activities and services conducted by service providers, with longitudinal measurement over time Closed loop referral systems are not required at initial go-live to establish community engagement compliance. States may use them to improve economic mobility/self-sufficiency and help connect individuals to work, volunteer, job-training opportunities and community-based services.	**No**
Data Analytics & Reporting	Enhance the State's data analytics and reporting infrastructure to track and evaluate CE implementation, compliance trends, patterns in exceptions and specified excluded statuses, disenrollments, and program outcomes. These updates may require integration of CE data elements into data warehouses, development of CE-specific dashboards, and creation of standard reports for CMS oversight and internal management. Systems should also reflect updates to Performance Indicators (PI) to incorporate CE-related metrics. States should ensure alignment with T-MSIS and other federal reporting systems. These functionality expectations currently include: • Integrate CE-related data fields (e.g., exception or exclusion reason, hours reported, disenrollment reason) into the enterprise data warehouse • Update systems to reflect changes in CE-related Performance Indicators (PI) and eligibility processing data (changes not yet discussed) • Incorporate new reason codes for disenrollment and for exceptions or exclusions (granularity not yet discussed) • Update T-MSIS files and PI and eligibility processing reporting with new CE-related data fields and values • Structure CE reason codes and reporting fields to roll up to the required reporting categories: ◦ Enrollment totals ◦ Application and renewal processing and timeliness ◦ Determination and redetermination outcomes ◦ Counts of the population subject to CE and their compliance, including manner of compliance ◦ Any other CMS-specified data • Distinguish each manner of compliance (each qualifying-activity pathway and each exclusion or exception basis) so the system can report how individuals complied • Apply completeness and quality checks and capture sufficient submission metadata so reported data is timely, complete, and of sufficient quality	**Yes**

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Data Exchange (education data exchange - new)	Expand the State's data exchange infrastructure to support the secure transmission and receipt of CE-related information across eligibility systems, Managed Care Organizations (MCOs), MMIS, T-MSIS, FDSH, and external sources such as employment and education systems. This includes exchanging data on CE participation (e.g., hours worked, enrollment in school or training programs) to support initial eligibility determinations, renewals and ongoing compliance checks. These updates must ensure reliable, auditable data integration to automate verification where possible and reduce manual burden on beneficiaries and staff. These functionality expectations currently include: • Develop interfaces to receive CE data from workforce systems and volunteer platforms • Establish real-time or batch processing schedules for CE data ingestion • Monitor and log all CE-related data exchanges for audit and appeals purposes • Enable access to SNAP and TANF data for determining CE compliance • Obtain CE verification data through the federal Data Services Hub where available, using an approved direct or alternative connection only where it is not, including National Student Clearinghouse data for education • Connect to a new reliable data source, or an approved alternative, within 12 months of it becoming available through the Hub • Support the full scope of reliable information: electronic data sources, other State and local agencies, federal sources via the Secretary's service, the eligibility system, the case record, payroll data, and adjudicated claims and encounter data from the prior 12 months • Apply heightened privacy handling to data used to verify medical frailty or substance-use or alcohol-treatment participation, consistent with applicable confidentiality, HIPAA, and 42 CFR part 2 protections • Recognize a qualifying educational program as an institution of higher education, a career or technical education program, a high school, or a State-approved high-school-equivalency program • Support additional State-level education data sources beyond the National Student Clearinghouse where available	**Yes**

Eligibility Determination Logic	Develop and implement new eligibility determination logic specific to the CE requirements for expansion adults enrolled or potentially eligible under the State plan Medicaid adult group or applicable Section 1115 demonstrations. This logic should assess whether individuals are subject to CE, determine if they meet compliance thresholds (e.g., 80 hours/month of work, school, or volunteering), and evaluate exceptions and exclusions. The system will also support triggering requests for verification, determine when additional information is required, apply 30-day period logic to address non-compliance, and process disenrollment dates if non-compliance is confirmed. These functionality expectations currently include: • Identify applicants and beneficiaries subject to CE (adult group under §1902(a)(10)(A)(i)(VIII); MEC-providing §1115 demonstration enrollees aged 19-64 who are not pregnant, not on Medicare A or B, and not otherwise eligible; and not a specified excluded individual under Section 71119) • For applicable individuals, use electronic data to evaluate whether any qualifying condition is met: ◦ Income meets the $580 monthly minimum or, if seasonal, the 6-month average ◦ 80 hours of work, verified by electronic data or documentation ◦ At least half-time educational enrollment, verified by electronic data or documentation ◦ 80 hours of community service, by self-declaration under penalty of perjury ◦ 80 hours in a work program, by self-declaration under penalty of perjury ◦ Any combination of activities equaling 80 hours • If compliance cannot be verified, provide a non-compliance notice and a 30-day satisfactory-showing period, maintaining beneficiary eligibility during that period • If an applicant fails to make a satisfactory showing, deny; for a beneficiary, terminate no later than the month after the 30-day period ends, after considering all bases of eligibility • Evaluate the specified-excluded-individual determination independently of and before compliance is deemed or verified, applying an exclusion whenever sufficient information exists even if the individual would otherwise meet CE • Do not impose a fixed order for evaluating qualifying conditions; treat CE as met as soon as any one condition is satisfied • Apply the tiered evidence rules for exclusions and exceptions: ◦ Through 2027, require documentation or accept other information, including a statement under penalty of perjury, where reliable information is unavailable or not reasonably compatible ◦ Beginning January 1, 2028, require documentation where reasonably available, accept other information when documentation does not exist or is not reasonably available, and never find an individual ineligible solely for lack of available documentation • Determine monthly income for CE using the individual's MAGI-based income for their MAGI-based household, applied to a month in the applicable period • Where monthly income is less than the Federal minimum wage times 80 hours and hours-worked information is unavailable, derive work hours by dividing MAGI-based monthly income by the applicable Federal minimum wage, allocating hours among household members by a reasonable method • Accommodate work for money, work in exchange for goods or services (in-kind), and unpaid work other than community service, including caregiving by a family caregiver who does not qualify for the caregiver exclusion • Apply the education credit-to-hours conversion for less-than-half-time credit-hour enrollment (credit hours times 3 per week, times 4.33 weeks per month), and count actual class and activity time for non-credit-hour programs • Support enroll-then-verify: enroll promptly on verified compliance when a specified-exclusion indication still needs verification, and do not disenroll a beneficiary who fails to verify the exclusion once the State has verified they meet CE • Apply the review period based on status: ◦ For applicants, the 1, 2, or 3 consecutive months immediately preceding the application month	**Yes**

Features	Functional Requirements	MVP?
	◦ For enrolled beneficiaries, the coverage period ending at renewal, or the span between verifications where the State elects more-frequent verification ◦ Do not require CE beyond the applicable review period, apply it to a specified excluded individual, or dictate specific months; permit but do not require consecutive months where more than one is required	
Ex Parte Renewal Logic	Revise and expand ex parte renewal logic to assess CE compliance and status as a specified excluded individual using available data sources for expansion individuals in the State plan Medicaid adult group or applicable individuals in Section 1115 demonstrations. If CE status cannot be confirmed through ex parte, the system should trigger a pre-populated renewal form and follow State system and business logic for processing a renewal form. This logic must align with broader renewal determination processes and support downstream actions like notices. Updates should ensure consistent application of CE policy without requiring unnecessary worker intervention. These functionality expectations currently include: • Integrate CE compliance and specified-excluded checks into existing ex parte workflows • Evaluate available data sources to determine CE status during renewal • Route beneficiaries to the appropriate eligibility pathway (e.g., streamlined, manual, pending verification) • Trigger generation of pre-populated renewal forms when ex parte processing is not possible • Assess CE compliance in the appropriate review period to determine renewal eligibility • Log CE status changes for audit and reporting • Coordinate with notice systems to inform beneficiaries of renewal outcomes and next steps • When ex parte cannot verify CE, support both options for pairing the noncompliance notice with the renewal form: ◦ Send them concurrently, or send the renewal form first and the noncompliance notice afterward only if the State still cannot verify ◦ Keep the 30-day satisfactory-showing period fixed and align response deadlines to avoid conflicting timeframes • Flag a beneficiary's first renewal whose ex parte review begins on or after the CE implementation date as the initial CE verification, and do not verify CE at the implementation date itself • For beneficiaries previously determined to be applicable individuals, check reliable information for a newly qualifying exclusion before assessing compliance at renewal	**Yes**

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Increased Frequency of Renewals & Compliance Checks	Update the business processes to support more frequent renewals, which include assessments of CE compliance when applicable. Because of changes to requirements on how frequently states must conduct renewals for certain populations, most states must evaluate an individual's participation in qualifying activities (e.g., work, school, volunteering). The system should support scheduling, retrieving, and processing updated information from verification sources and determine whether a beneficiary remains in compliance or should be flagged for further action. This logic should be repeatable, auditable, and integrated with downstream processes such as notice generation, initiating the noncompliance process, and disenrollment. These functionality expectations currently include: • Define CE compliance-check frequency and integrate it with redetermination timelines • Incorporate CE verification logic into renewals at both the ex parte phase and the renewal form • Route non-compliant individuals to workflows that initiate notices or the 30-day non-compliance process • Evaluate specified-excluded-individual status at each renewal and apply the appropriate logic • Store compliance history and specified-excluded status to support decision-making and appeals • Trigger pre-populated renewal forms or manual review tasks when CE status is unclear • Limit any State-elected more-frequent verification between renewals to applicable individuals, and do not verify a specified excluded individual's status more frequently than at each renewal • Before each between-renewal verification, check reliable information for a newly qualifying exclusion before assessing compliance	**Yes**
Marketplace Coordination	Update Medicaid-Marketplace coordination processes to ensure accurate and policy-compliant implementation of CE requirements. These functionality expectations currently include: • Coordinate with Marketplace systems (FFM or SBM) to maximize use of existing data to help the State evaluate community engagement • Coordinate with the applicable Exchange so an individual disenrolled for CE noncompliance, who remains Medicaid-eligible for the premium-tax-credit test, is precluded from advanced premium tax credits and the premium tax credit • Ensure the noncompliance and outreach notices describe the effect of CE noncompliance on eligibility for APTC and PTC for Exchange coverage • When an individual is found ineligible after all bases of eligibility are considered, check eligibility for other insurance affordability programs and transfer the account accordingly	**Yes**

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Notices & Forms	Develop and update system-generated notices and forms to clearly communicate CE requirements, exceptions, exclusions, compliance status, and consequences for non-compliance to beneficiaries. These updates should support timely and accurate delivery of information throughout the beneficiary lifecycle, including from application to redetermination, to disenrollment and appeal. Notices should align with the CE verification and determination logic, include appropriate 30-day period to address non-compliance language, and ensure beneficiaries understand their rights and responsibilities. This task also involves the creation of new CE-specific notice templates and the modification of existing forms and correspondence to include CE content. These functionality expectations currently include: • Add a new outreach notice (initial and periodic) and a non-compliance notice for CE • Update verification checklists and eligibility approval or denial notices to reflect CE status • Design outreach and renewal notices with CE language • Include CE verification, exception, and exclusion information in standard templates • Include the required minimum content in the noncompliance notice: ◦ The month(s) assessed and the response deadline ◦ How to show compliance or deemed compliance, and how to show non-applicable or excluded status ◦ Submission modalities and how to re-apply ◦ APTC/PTC consequences, and short-term hardship information where the State elected it • Apply the 5-day receipt presumption in deadline language (notices deemed received five days after the notice date unless rebutted), and print the same deadline that drives satisfactory showing and disenrollment timing • State the CE outcome in determination notices: whether the individual is a specified excluded individual, or an applicable individual who did, did not, or was deemed to demonstrate CE for the relevant month(s) • Accommodate the application timeliness-standard exception for the 30-day noncompliance notice, and complete the renewal process, including noncompliance noticing, within the eligibility period • Generate an event-driven advance notice, separate from the routine noncompliance notice, when the State reduces eligibility because a protective status is ending: ◦ When the State deselects the optional short-term hardship exception ◦ When a disaster or high-unemployment hardship is anticipated to expire ◦ When a beneficiary loses specified-excluded status and moves into the applicable-individual population	**Yes**

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Outreach	Enhance outreach and communication functionality to notify beneficiaries of CE requirements, rights, and responsibilities. Systems should identify individuals based on enrollment and CE implementation timelines, generate initial notices 4-6 months before compliance begins (depending on the State's review period), and support recurring outreach at defined intervals. Notices must be delivered by mail unless electronic delivery is elected and should be reinforced through at least one additional channel (e.g., text message, telephone, electronic accounts, or other commonly available electronic means). Where possible, depending on modality, all required outreach should be logged for either audit or reporting purposes, support language access requirements, and allow workers to view notice history and confirm delivery prior to adverse action. These functionality expectations currently include: • Identify individuals based on enrollment and the CE implementation timeline • Generate initial outreach notices 4-6 months before the CE compliance start date, based on the State's selected 1-, 2-, or 3-month review period • Schedule recurring outreach at State-defined intervals after implementation • Deliver notices by regular mail unless the individual has opted for electronic communication • Support at least one supplemental outreach channel (e.g., text, telephone, electronic account message, or other commonly available electronic means) • Log outreach events and delivery methods for audit and compliance tracking • Support language access and accessibility requirements per federal standards • Display outreach history and contact preferences in worker portals to confirm notices are issued before adverse action • Trigger outreach on defined events, not intervals alone: ◦ An initial notice three months plus the State's review-period months before implementation ◦ Upon enrollment for anyone entering the adult group or applicable Section 1115 population between that initial notice and implementation ◦ At determination, redetermination, or change-in-circumstance events ◦ At short-term hardship-exception election, or when a disaster or high-unemployment hardship becomes available or is effectuated ◦ When the State reduces eligibility and sends an advance notice • Include required content in outreach: ◦ How to comply, the exceptions (including short-term hardships where elected), and who is an applicable individual and the exclusions ◦ The months required at renewal and any elected more-frequent verification cadence ◦ APTC/PTC consequences and how to report changes • Support bundling outreach with other notices and delivery through an MCO, PIHP, PAHP, or PCCM	**Yes**

Verification Logic & Exception and Exclusion Assessment	Design and implement system logic to electronically verify CE compliance or qualification for an exception or exclusion using reliable data sources. Systems must assess whether individuals meet CE requirements (such as hours worked, enrollment in education or work programs, or participation in community service) using existing wage, enrollment, and program data. They must also verify exceptions and exclusions based on available information, including claims data (e.g., medically frail), application data (e.g., pregnancy or caregiving), data from other programs (i.e., SNAP, TANF), and residence data to identify individuals residing in areas affected by disasters or high unemployment. CE status evaluations should occur at application, renewal, and change in circumstance events, and systems must apply exceptions and exclusions for the correct timeframe with controls to manage effective dates and geographic parameters. Where electronic verification is insufficient, the system should trigger workflows for caseworkers to request documentation and apply the appropriate compliance tracking logic. These functionality expectations currently include: • Automatically verify CE compliance using available electronic data (e.g., wage records, educational enrollment, work program participation) before prompting for additional information • Automatically verify mandatory exceptions and exclusions using available electronic data (e.g., application data, claims, Veterans Administration, SNAP, TANF) before prompting for additional information • Automatically verify whether an applicant or beneficiary qualifies for a short-term hardship using available electronic data, such as residence data confirming the individual lives in a county under a Presidentially declared emergency or disaster • Apply exceptions for the relevant time period, with controls to manage start and end dates and affected localities • Accept CE information and documentation across modalities (online, mail, phone, in person) through secure upload, with workflows for manual review by eligibility workers • Lock an established specified-excluded status against reverification between scheduled redeterminations unless new information indicates the status changed • Apply the medical frailty definition to an individual whose physical, mental, or behavioral health condition significantly impairs their ability to comply with CE and who falls into one of five categories, without distinguishing permanent from temporary conditions: ◦ Blind or disabled ◦ A substance use disorder, except stable recovery ◦ A disabling mental disorder ◦ A physical, intellectual, or developmental disability significantly impairing activities of daily living ◦ A serious or complex medical condition • Maintain an editable list of diseases, diagnoses, disorders, and conditions for medical frailty, and check claims and encounter diagnoses against it • Make the code list and methodology extractable so they can be sent to CMS for review on request, and log all changes to the list • Provide an intake path to request review when a condition is not listed, and revise the list regularly based on implementation experience • Apply the substance-use-disorder basis for medical frailty except for an individual in stable recovery (five or more years), who may still qualify on another frailty basis or meet CE through activities • Apply the medical-acuity short-term hardship to an applicable individual receiving inpatient hospital services, nursing facility services, ICF/IID services, or inpatient psychiatric services, or other services of similar acuity, including related outpatient care • Support the treatment-travel hardship even when the individual does not travel with the dependent, capturing the dependent-logistics basis (e.g., leave from CE activities for local pre-travel appointments, travel logistics, or serving as the primary provider contact) • Apply disaster and high-unemployment hardships automatically by the county or equivalent local unit of residence, comparing the case's residence county against a State-maintained hardship list, with scope of a county, multiple counties, or statewide and no request from the individual	**Yes**

Features	Functional Requirements	MVP?
	• Support the high-unemployment hardship, which requires a State request and CMS determination that the county rate is at or above the lesser of 8% or 1.5 times the national rate (using BLS or another reliable source) • Run Stafford-Act exceptions from the first month of the incident period through at least the month it ends (extendable with CMS approval), with editable thresholds and area-specific start and end dates	
Community Service and Work Program Data Sources (new)	Expand data exchange infrastructure to support the flow of CE-related information for work programs and community service. States will need to securely transmit and receive data related to CE participation (e.g., hours worked, enrollment in educational programs) to support eligibility determinations and ongoing compliance checks. In the absence of electronic verification through community service or work program related data sources, systems should enable applicants or beneficiaries to report time spent on these activities and enable documentation upload to verify this reporting. These functionality expectations currently include: • Recognize community service as unpaid, structured work for community benefit under a public or nonprofit organization that does not serve a partisan purpose • Capture sufficient information about the organization or activity for caseworkers to evaluate whether it is partisan • Capture and retain in the case record the information required to verify community service hours (activity type, dates, hours completed, and a confirming point of contact), with oversight and tracking by the sponsoring organization • Validate reported work-program participation against the enumerated qualifying programs: Title I of WIOA; Section 236 of the Trade Act; Governor-approved State or local employment and training programs, including SNAP Employment and Training; DOL or VA veterans' programs; and SNAP workforce partnerships • For a SNAP E&T program, count supervised job search or job-search-training hours only when they are less than half of that program's required hours	**Yes**
Fair Hearings	Update caseworker and citizen portals to support changes to fair hearing processes related to CE-related adverse action. As States implement CE requirements, beneficiaries will need the ability to request a fair hearing of an adverse action related to CE. These functionality expectations for E&E systems currently include: • Capture CE-specific appeal reason codes when a fair hearing is initiated • Enable tracking of CE-related adverse actions (e.g., exclusion denied, non-compliance) • Route requests to the appropriate State fair hearing entity or external system • Suspend or reverse CE-related adverse actions while a fair hearing is pending, in accordance with due process • Receive CE-related fair hearing outcomes and apply system logic to update eligibility status accordingly These functionality expectations for fair hearing systems currently include: • Share fair hearing status with the eligibility system through defined data interfaces or workflows • Support intake and routing of an appeal of an adverse determination on a request-based short-term hardship (medical-acuity or treatment or travel) • Convey in the stated reason for a CE adverse action that the individual both failed to make a satisfactory showing of compliance and failed to show non-applicable or excluded status • Place no restriction on re-applying or on coverage if the individual is later found eligible following a CE adverse action	**Yes**