



January 13, 2026

HOUSE BILL No. 1012

DIGEST OF HB 1012 (Updated January 13, 2026 11:46 am - DI 147)

Citations Affected: IC 4-13; IC 12-8; IC 12-15.

Synopsis: Medicaid matters. Amends the duties of the office of the secretary of family and social services (office) concerning home and community based services waivers (waiver). Sets forth requirements for conducting an audit of a provider of waiver services. Requires: (1) a waiver recipient to review the recipient's monthly statement and report errors or inconsistencies; and (2) the recipient's case manager to provide assistance to the recipient in reviewing the statements and reporting any errors. Establishes the home and community based services waiver waiting list assistance fund (fund) to provide individuals on a waiver waiting list with access to certain supports. Provides that when the office determines an individual is ineligible for Medicaid, the office shall provide the specific reason for determining the individual is ineligible. Requires the office to review certain bank accounts in determining an individual's Medicaid eligibility. Requires a provider of waiver services to provide a recipient and the recipient's care coordinator with certain billing statements. Provides that appropriations in the budget bill for Medicaid assistance that are
(Continued next page)

Effective: July 1, 2026.

**Clere, Garcia Wilburn,
Goss-Reaves, Cash**

December 1, 2025, read first time and referred to Committee on Public Health.
January 13, 2026, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.

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Digest Continued

budgeted for a waiver that remain unexpended and unencumbered at the close of the state fiscal year and that would otherwise lapse and be returned to the state general fund do not revert to the state general fund, but instead shall be deposited in the fund. Provides that, for the state fiscal year beginning July 1, 2026, and ending June 30, 2027, appropriations in the budget bill for Medicaid assistance in an amount sufficient to cover costs incurred by the office in carrying out specified duties that remain unexpended and unencumbered at the close of the state fiscal year and that would otherwise lapse and be returned to the state general fund do not revert to the state general fund, but instead shall remain available to the office to cover these costs.



January 13, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1012

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-13-2-19, AS AMENDED BY P.L.9-2024,
2 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 19. (a) Except as specifically provided for in
4 appropriation acts, every appropriation or part thereof remaining
5 unexpended and unencumbered at the close of any fiscal year shall
6 lapse and be returned to the general revenue fund. However, an
7 appropriation for purchase of real estate or for construction or other
8 permanent improvement shall not lapse until the purposes for which
9 the appropriation was made shall have been accomplished or
10 abandoned, unless such appropriation has remained during an entire
11 fiscal biennium without any expenditure therefrom or encumbrance
12 thereon.

13 (b) Except as otherwise expressly provided by law, the provisions
14 of this section shall apply to every appropriation of a stated sum for a
15 specified purpose or purposes made from the general revenue fund, but
16 shall not, unless expressly so provided by law, apply to any fund or
17 balance of a fund derived wholly or partly from special taxes, fees,

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1 earnings, fines, federal grants, or other sources which are by law
2 appropriated for special purposes by standing, continuing, rotary, or
3 revolving appropriations.

4 (c) In the case of federal funds encumbered by a state agency that
5 is the recipient of the federal grant, for purposes of meeting
6 reimbursements that are to come due after the expiration of the federal
7 grant, the state agency's encumbrance on its ledgers shall be recognized
8 as valid by the state comptroller for one (1) year or until the money is
9 expended, whichever is sooner.

10 (d) Notwithstanding subsection (a), beginning with the state
11 fiscal year ending June 30, 2026, and each state fiscal year
12 thereafter, appropriations in the budget bill for Medicaid
13 assistance that are budgeted for a home and community based
14 services waiver (as defined in IC 12-8-1.6-2) that remain
15 unexpended and unencumbered at the close of the state fiscal year
16 and that would otherwise lapse and be returned to the state general
17 fund shall not revert to the state general fund, but instead shall be
18 deposited in the home and community based services waiver
19 waiting list assistance fund established by IC 12-8-1.6-11.5.

20 (e) Notwithstanding subsection (a), for the state fiscal year
21 beginning July 1, 2026, and ending June 30, 2027, appropriations
22 in the budget bill for Medicaid assistance in an amount sufficient
23 to cover costs incurred by the office of the secretary in:

24 (1) carrying out the office of the secretary's duties under:

25 (A) IC 12-8-1.6-4(b)(9) through IC 12-8-1.6(b)(16); and

26 (B) IC 12-8-1.6-8.5; and

27 (2) implementing the home and community based services
28 waiver waiting list assistance fund established by
29 IC 12-8-1.6-11.5;

30 that remain unexpended and unencumbered at the close of the
31 state fiscal year and that would otherwise lapse and be returned to
32 the state general fund shall not revert to the state general fund, but
33 instead shall remain available to the office of the secretary to cover
34 costs described in subdivisions (1) and (2). The appropriations are
35 not subject to allotment under IC 4-12-1-12.

36 SECTION 2. IC 12-8-1.6-4, AS ADDED BY P.L.174-2025,
37 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 4. (a) The office of the secretary has all powers
39 necessary and convenient to administer a home and community based
40 services waiver.

41 (b) The office of the secretary shall do the following:

42 (1) Administer money appropriated or allocated to the office of



the secretary by the state, including money appropriated or allocated for a home and community based services waiver.

(2) Take any action necessary to implement a home and community based services waiver, including applying to the United States Department of Health and Human Services for approval to amend or renew the waiver, implement a new Medicaid waiver, or amend the Medicaid state plan.

(3) Ensure that a home and community based services waiver is subject to funding available to the office of the secretary.

(4) Ensure, in coordination with the budget agency, that the cost of a home and community based services waiver does not exceed the total amount of funding available by the budget agency, including state and federal funds, for the Medicaid programs established to provide services under a home and community based services waiver.

(5) Establish and administer a program for a home and community based services waiver to provide an eligible individual with care that does not cost more than services provided to a similarly situated individual residing in an institution.

(6) Within the limits of available resources, provide service coordination services to individuals receiving services under a home and community based services waiver, including the development of an individual service plan that:

(A) addresses an individual's needs;

(B) identifies and considers family and community resources that are potentially available to meet the individual's needs; and

(C) is consistent with the person centered care approach for receiving services under a waiver.

(7) Monitor services provided by a provider that:

(A) provides services to an individual using funds provided by the office of the secretary or under the authority of the office of the secretary; or

(B) entered into one (1) or more provider agreements to provide services under a home and community based services waiver.

(8) Establish and administer a confidential complaint process for:

(A) an individual receiving; or

(B) a provider described in subdivision (7) providing; services under a home and community based services waiver.

(9) Establish a procedure for documenting compliance with



subdivision (6) in the individual service plan of an individual receiving services under a home and community based services waiver, which must include provider attestation that services delivered to a recipient align with the recipient's individual service plan.

(10) Beginning not later than January 1, 2027, provide a monthly statement by electronic means as the default method of delivery, or in paper form upon a recipient's request, to an individual receiving services under a home and community based services waiver that includes the following information:

(A) The amount the state paid for:

(i) home and community based services waiver services; and

(ii) Medicaid medical services; provided to the recipient during the preceding month.

(B) The reason for any denial of services to the recipient.

(11) Beginning not later than January 1, 2027, annually publish on the office of the secretary's website the following information on each home and community based services waiver for the preceding state fiscal year:

(A) The amount of state funds that were:

(i) budgeted for; and

(ii) spent under; each waiver.

(B) The amount billed by providers for each service under each waiver.

(C) Comparative data on providers, including quality measures, credentialing, accreditation, and per capita incident rates.

(12) Not later than January 1, 2027, in collaboration with the division of disability and rehabilitative services advisory council established by IC 12-9-4-2, redesign the list of service providers, including case management organization providers, available under a home and community based services waiver to meet the following requirements:

(A) Be electronically searchable by the public.

(B) Be consumer friendly.

(C) Only display information about providers that are accepting new clients by geographic area.

(D) Include the following information for each provider described in clause (C):

(i) Provider credentialing and accreditation.



(ii) Performance data, including the results of any provider satisfaction survey.

(13) Each month, publish on the office of the secretary's website the number of home and community based services waiver slots that were:

- (A) released;
- (B) accepted;
- (C) declined; and
- (D) rescinded;

during the previous month, and the reason for a denial or rescission.

(14) Provide annual updates concerning home and community based services waivers to the division of disability and rehabilitative services advisory council established by IC 12-9-4-2.

(15) In collaboration with the division of disability and rehabilitative services advisory council established by IC 12-9-4-2, review the criteria and process for approving, monitoring, and removing providers of services under a home and community based services waiver.

(16) After reviewing the criteria and process described in subdivision (15), make any changes necessary to ensure provider accountability and the provision of high quality services.

(c) The office of the secretary may do the following:

- (1) At the office's discretion, delegate any of its authority under this chapter to any division or office within the office of the secretary.
- (2) Issue administrative orders under IC 4-21.5-3-6 regarding the provision of a home and community based services waiver.

SECTION 3. IC 12-8-1.6-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 8.5. (a) As used in this section, "provider" refers to a provider of services under a home and community based services waiver.**

(b) As used in this section, "recipient" means an individual who receives services under a home and community based services waiver.

(c) Before July 1, 2028, the office of the secretary shall conduct an audit of a provider that:

- (1) provides services to less than ten (10) recipients; and**
- (2) either:**



(A) has not been audited by or on behalf of the office of the secretary; or

(B) was audited by or on behalf of the office of the secretary before July 1, 2021.

(d) After July 1, 2028, at least once each year, the office of the secretary shall conduct an audit of each provider that provides services to less than ten (10) recipients.

(e) In conducting an audit under subsection (d), the office of the secretary shall do the following:

(1) Determine whether the provider is accredited by an approved national accrediting body (as defined in IC 12-11-1.1-1(j)).

(2) Evaluate whether the provider is able to deliver services without interruption for at least three (3) consecutive months in the absence of payment for services.

SECTION 4. IC 12-8-1.6-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.5. (a) An individual receiving services under a home and community based services waiver shall do the following:

(1) Review the recipient's monthly statement received under section 4(b)(10) of this chapter.

(2) Not later than thirty (30) days after receiving each monthly statement, report to the office of the secretary or other appropriate entity any:

(A) error in the statement; or

(B) inconsistency between the statement and services received.

(b) Upon request, the case manager of a recipient described in subsection (a) shall do the following:

(1) Assist the recipient in reviewing the recipient's monthly statement described in subsection (a)(1).

(2) Assist in reporting and resolving any error or inconsistency under subsection (a).

SECTION 5. IC 12-8-1.6-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11.5. (a) As used in this section, "fund" refers to the home and community based services waiver waiting list assistance fund established by subsection (b).

(b) The home and community based services waiver waiting list assistance fund is established to provide individuals on a home and community based services waiver waiting list with access to



1 supports that promote stability, readiness, and crisis prevention.

2 (c) The office of the secretary shall administer the fund.

3 (d) The fund consists of money from the reversion of Medicaid
4 assistance appropriations deposited in the fund under
5 IC 4-13-2-19(d).

6 (e) Money in the fund may be used to provide an individual on
7 a home and community based services waiver waiting list with any
8 of the following:

9 (1) Caregiver or individual training, such as person centered
10 planning training, skill building training, and self-advocacy
11 workshops.

12 (2) Assistive technology devices or adaptive equipment to
13 support an individual's independence.

14 (3) Short term stabilization supports to prevent
15 institutionalization, such as respite care services or
16 transitional assistance.

17 (4) Care coordination planning.

18 (5) Any other supports that promote stability, readiness, and
19 crisis prevention, as determined by the office of the secretary.

20 (f) The expenses of administering the fund shall be paid from
21 money in the fund.

22 (g) The treasurer of state shall invest the money in the fund not
23 currently needed to meet the obligations of the fund in the same
24 manner as other public money may be invested.

25 (h) Money in the fund at the end of a state fiscal year does not
26 revert to the state general fund.

27 SECTION 6. IC 12-15-2-27 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2026]: Sec. 27. (a) When the office of the secretary determines
30 that an individual is ineligible for Medicaid under this article, the
31 office of the secretary shall provide to the individual the specific
32 reason for determining that the individual is ineligible.

33 (b) In determining an individual's eligibility for Medicaid under
34 this article based on the individual's total equity value of
35 nonexempt property, the office of the secretary shall review each
36 of an individual's bank account that is both:

37 (1) active; and

38 (2) contains assets;

39 at the time of the eligibility determination.

40 (c) When the office of the secretary issues a notice of ineligibility
41 under this section, the office of secretary shall:

42 (1) use plain language; and



1 **(2) identify each bank account reviewed under subsection (b),**
2 **including the name of the financial institution and last four (4)**
3 **numbers of the account.**

4 SECTION 7. IC 12-15-11-11 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2026]: **Sec. 11. A provider of services under**
7 **a home and community based services waiver (as defined in**
8 **IC 12-8-1.6-2) shall do the following:**

9 **(1) Upon request by an individual receiving services under the**
10 **waiver or the individual's legal guardian, but not more than**
11 **once per calendar quarter, provide to the individual or the**
12 **individual's legal guardian the provider's accounting records**
13 **of service delivery for the recipient.**

14 **(2) Upon request, but not more than twice per calendar year,**
15 **provide to an individual receiving services under the waiver**
16 **an itemized statement of the services billed by the provider**
17 **for the recipient. The statement must be in plain language.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1012, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 19 and 20, begin a new paragraph and insert:

"(e) Notwithstanding subsection (a), for the state fiscal year beginning July 1, 2026, and ending June 30, 2027, appropriations in the budget bill for Medicaid assistance in an amount sufficient to cover costs incurred by the office of the secretary in:

(1) carrying out the office of the secretary's duties under:

(A) IC 12-8-1.6-4(b)(9) through IC 12-8-1.6(b)(16); and

(B) IC 12-8-1.6-8.5; and

(2) implementing the home and community based services waiver waiting list assistance fund established by IC 12-8-1.6-11.5;

that remain unexpended and unencumbered at the close of the state fiscal year and that would otherwise lapse and be returned to the state general fund shall not revert to the state general fund, but instead shall remain available to the office of the secretary to cover costs described in subdivisions (1) and (2). The appropriations are not subject to allotment under IC 4-12-1-12."

Page 3, line 32, delete "Provide a monthly statement in electronic form," and insert **"Beginning not later than January 1, 2027, provide a monthly statement by electronic means as the default method of delivery,"**.

Page 3, delete lines 36 through 39, begin a new line double block indented and insert:

"(A) The amount the state paid for:

(i) home and community based services waiver services; and

(ii) Medicaid medical services;

provided to the recipient during the preceding month."

Page 3, line 40, delete "(C)" and insert **"(B)"**.

Page 3, line 41, delete "Annually" and insert **"Beginning not later than January 1, 2027, annually"**.

Page 4, line 9, after "and" insert **"per capita"**.

Page 4, line 19, delete "patients" and insert **"clients"**.

Page 4, line 38, delete "Review" and insert **"In collaboration with the division of disability and rehabilitative services advisory council established by IC 12-9-4-2, review"**.

Page 4, line 40, delete "waiver, including removing" and insert



"waiver."

Page 4, delete lines 41 through 42.

Page 5, delete lines 5 through 6.

Page 5, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 1. IC 12-8-1.6-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) As used in this section, "provider" refers to a provider of services under a home and community based services waiver.

(b) As used in this section, "recipient" means an individual who receives services under a home and community based services waiver.

(c) Before July 1, 2028, the office of the secretary shall conduct an audit of a provider that:

(1) provides services to less than ten (10) recipients; and

(2) either:

(A) has not been audited by or on behalf of the office of the secretary; or

(B) was audited by or on behalf of the office of the secretary before July 1, 2021.

(d) After July 1, 2028, at least once each year, the office of the secretary shall conduct an audit of each provider that provides services to less than ten (10) recipients.

(e) In conducting an audit under subsection (d), the office of the secretary shall do the following:

(1) Determine whether the provider is accredited by an approved national accrediting body (as defined in IC 12-11-1.1-1(j)).

(2) Evaluate whether the provider is able to deliver services without interruption for at least three (3) consecutive months in the absence of payment for services."

Page 5, line 15, delete "In order to continue to" and insert **"(a) An individual receiving services under a home and community based services waiver shall do the following:"**.

Page 5, delete lines 16 through 18.

Page 5, between lines 26 and 27, begin a new paragraph and insert:

"(b) Upon request, the case manager of a recipient described in subsection (a) shall do the following:

(1) Assist the recipient in reviewing the recipient's monthly statement described in subsection (a)(1).

(2) Assist in reporting and resolving any error or inconsistency under subsection (a)."



Page 6, line 21, after "Sec. 27." insert "(a)".

Page 6, between lines 24 and 25, begin a new paragraph and insert:

"(b) In determining an individual's eligibility for Medicaid under this article based on the individual's total equity value of nonexempt property, the office of the secretary shall review each of an individual's bank account that is both:

(1) active; and

(2) contains assets;

at the time of the eligibility determination.

(c) When the office of the secretary issues a notice of ineligibility under this section, the office of secretary shall:

(1) use plain language; and

(2) identify each bank account reviewed under subsection (b), including the name of the financial institution and last four (4) numbers of the account."

Page 6, delete lines 30 through 34, begin a new line block indented and insert:

"(1) Upon request by an individual receiving services under the waiver or the individual's legal guardian, but not more than once per calendar quarter, provide to the individual or the individual's legal guardian the provider's accounting records of service delivery for the recipient."

Page 6, line 35, delete "Biannually" and insert **"Upon request, but not more than twice per calendar year,"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1012 as introduced.)

BARRETT

Committee Vote: yeas 12, nays 0.

