



February 17, 2026

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# ENGROSSED SENATE BILL No. 1

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DIGEST OF SB 1 (Updated February 16, 2026 5:58 pm - DI 125)

**Citations Affected:** IC 4-12; IC 12-7; IC 12-8; IC 12-14; IC 12-15; noncode.

**Synopsis:** Human services matters. Establishes the Indiana rural health transformation fund and makes allotments and expenditures from the fund subject to budget committee review before the allotment and expenditure may occur. Requires the office of the secretary of family and social services to report biannually to the budget committee  
(Continued next page)

**Effective:** Upon passage; January 1, 2026 (retroactive); July 1, 2026; October 1, 2026; January 1, 2027.

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**Garten, Mishler, Charbonneau,  
Holdman, Koch, Johnson T, Brown L,  
Busch, Freeman, Gaskill, Donato,  
Byrne, Carrasco, Alexander, Maxwell,  
Baldwin, Goode, Raatz, Clark,  
Schmitt, Crider, Buchanan, Rogers,  
Doriot, Young M, Tomes, Niemeyer**  
(HOUSE SPONSORS — BARRETT, THOMPSON, SNOW)

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January 8, 2026, read first time and referred to Committee on Appropriations.  
January 15, 2026, amended, reported favorably — Do Pass.  
January 20, 2026, read second time, ordered engrossed. Engrossed.  
January 22, 2026, read third time, passed. Yeas 38, nays 8.

HOUSE ACTION

January 28, 2026, read first time and referred to Committee on Ways and Means.  
February 17, 2026, amended, reported — Do Pass.

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ES 1—LS 6602/DI 104



concerning the use of the money in the fund. Prohibits recipients of Supplemental Nutrition Assistance Program (SNAP) benefits from using SNAP benefits to purchase candy and soft drinks. Requires the office of the secretary of family and social services to apply for a waiver or authorization to implement the prohibition if a waiver or authorization from a federal agency is required. Terminates the state's participation in the use of expanded categorical eligibility within the federal SNAP. Specifies gross income standards and countable resources for SNAP eligibility. Establishes immigration eligibility requirements for SNAP and requires the division of family resources to verify compliance with the requirements and submit information to the federal government about individuals for whom the division could not verify the immigration status. Specifies the time frame for Medicaid eligibility redeterminations. Requires the office of the secretary of family and social services (office) to transmit certain information to the federal government to prevent multiple state Medicaid enrollment. Specifies the time frame concerning the initial date of Medicaid assistance based on the application date. Sets forth additional countable income requirements for Medicaid. Modifies immigration status requirements for Medicaid, including presumptive eligibility and the healthy Indiana plan (HIP), and requires the office to verify compliance of the requirements and report information to the federal government. Modifies work and exemption requirements for HIP and requires the conditions to be met in the three preceding months before an individual applies to HIP. Requires the office to verify compliance with the work requirements on an ongoing basis and at least quarterly. Prohibits the office from expanding the medically frail exemption beyond the federal definition of the term. Removes the 12 month eligibility period for HIP and requires semiannual renewal. Sets forth additional copayments for the use of an emergency room setting for nonemergency services and other services under HIP.



February 17, 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.

## ENGROSSED SENATE BILL No. 1

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A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

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

1 SECTION 1. IC 4-12-1-18, AS AMENDED BY P.L.174-2022,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 18. Except for allotment  
4 stipulations provided in IC 4-12-18 **and IC 12-8-15**, federal funds  
5 received by an instrumentality are appropriated for purposes specified  
6 by the federal government and the general assembly, if that body elects  
7 to appropriate federal funds, subject to allotment by the budget agency.  
8 The provisions of this chapter and other laws concerning the  
9 acceptance, disbursement, review, and approval of grants, loans, and  
10 gifts made by the federal government or any other source to the state  
11 or its agencies apply to instrumentalities.

12 SECTION 2. IC 12-7-2-24.3 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2026]: **Sec. 24.3. "Candy", for purposes of IC 12-14-30-10, has**  
15 **the meaning set forth in IC 12-14-30-10(a).**

16 SECTION 3. IC 12-7-2-179.5 IS ADDED TO THE INDIANA  
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

ES 1—LS 6602/DI 104



1 [EFFECTIVE JULY 1, 2026]: **Sec. 179.5. "Soft drink", for purposes**  
 2 **of IC 12-14-30-10, has the meaning set forth in IC 12-14-30-10(b).**

3 SECTION 4. IC 12-8-15 IS ADDED TO THE INDIANA CODE AS  
 4 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 5 JANUARY 1, 2026 (RETROACTIVE)]:

6 **Chapter 15. Indiana Rural Health Transformation Fund**

7 **Sec. 1. (a) The Indiana rural health transformation fund is**  
 8 **established as a dedicated fund for the purpose of implementing**  
 9 **the Indiana rural health transformation program authorized by**  
 10 **federal law under Section 71401 of Public Law 119-21 (42 U.S.C.**  
 11 **1397ee), and based on Indiana's federally approved application.**  
 12 **The fund shall be administered by the office of the secretary.**

13 **(b) Money in the fund is continuously appropriated. The fund**  
 14 **consists of federal funds received from the federal government**  
 15 **under Section 71401 of Public Law 119-21.**

16 **(c) The expenses of administering the fund shall be paid from**  
 17 **money in the fund to the extent allowable by federal law under**  
 18 **Section 71401 of Public Law 119-21.**

19 **(d) The treasurer of state shall invest the money in the fund not**  
 20 **currently needed to meet the obligations of the fund in the same**  
 21 **manner as other public funds may be invested. Interest that**  
 22 **accrues from these investments shall be deposited in the fund.**

23 **(e) Money in the fund at the end of a state fiscal year does not**  
 24 **revert to the state general fund.**

25 **(f) The secretary may make recommendations concerning**  
 26 **expenditures from the fund to the budget committee, and**  
 27 **allotments and expenditures from the fund are subject to budget**  
 28 **committee review before the allotment and expenditure may occur.**

29 **(g) This section expires December 31, 2032.**

30 **Sec. 2. (a) Beginning December 1, 2026, the office of the**  
 31 **secretary shall before June 1 and December 1 of each year submit**  
 32 **a written report for review to the budget committee concerning the**  
 33 **following:**

34 **(1) An itemization of each of the expenditures of money from**  
 35 **the fund since the last report to the budget committee.**

36 **(2) The aggregate amount of expenditures of money from the**  
 37 **fund since the last report to the budget committee.**

38 **(3) Anticipated expenditures for the subsequent six (6)**  
 39 **months.**

40 **(4) Whether the office of the secretary is meeting the**  
 41 **benchmarks set forth in the state federally approved**  
 42 **application for the federal funds.**



1 (5) Whether the office of the secretary believes the state is  
 2 meeting the federally approved application requirements  
 3 necessary to continue to receive federal funds for operation of  
 4 the Indiana rural health transformation program.

5 (b) On June 1, 2026, the office of the secretary shall submit a  
 6 written report to the budget committee concerning the following:

7 (1) An itemization of each of the expenditures of money from  
 8 the fund since the last report to the budget committee.

9 (2) The aggregate amount of expenditures of money from the  
 10 fund since the last report to the budget committee.

11 (3) Anticipated expenditures for the subsequent six (6)  
 12 months.

13 (4) Whether the office of the secretary is meeting the  
 14 benchmarks set forth in the state federally approved  
 15 application for the federal funds.

16 (5) Whether the office of the secretary believes the state is  
 17 meeting the federally approved application requirements  
 18 necessary to continue to receive federal funds for operation of  
 19 the Indiana rural health transformation program.

20 (c) This section expires December 31, 2033.

21 SECTION 5. IC 12-14-30-4, AS ADDED BY P.L.207-2017,  
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2026]: Sec. 4. (a) The division shall notify the United States  
 24 Department of Agriculture and take any other action necessary for the  
 25 state to

26 (1) elect to participate in; and

27 (2) implement, beginning January 1, 2018;

28 **terminate the state's participation in the use of** expanded categorical  
 29 eligibility within SNAP **unless required by federal law.**

30 (b) The division: shall implement for the expanded categorical  
 31 eligibility a countable asset limitation for resources that does not  
 32 exceed five thousand dollars (\$5,000). In determining whether an  
 33 individual meets the resource requirement of this subsection, an  
 34 individual's funeral and burial resources, including both revocable and  
 35 irrevocable resources, may not be counted:

36 (1) may not apply gross income standards higher than the  
 37 standards specified in 7 U.S.C. 2014(c);

38 (2) may not allow countable financial resources that are  
 39 higher than the standards specified in 7 U.S.C. 2014(g)(1)  
 40 other than the financial resources described in 7 U.S.C.  
 41 2014(g)(2)(D); and



1           **(3) may apply alternate vehicle allowance standards**  
 2           **authorized by 7 U.S.C. 2014(g)(2)(D).**

3           (c) The division may adopt rules under IC 4-22-2 necessary to  
 4 implement this section.

5           (d) Before November 1, 2018, the division shall submit a report in  
 6 an electronic format under IC 5-14-6 to the legislative council  
 7 concerning the projected total amounts that individuals receiving  
 8 SNAP benefits would be required to repay over the period beginning  
 9 January 1, 2018, and ending December 31, 2019, due to positive errors,  
 10 in which individuals are approved for an amount in error and then are  
 11 required to repay the amount. The projected total amounts must be  
 12 based on the amounts that individuals receiving SNAP benefits have  
 13 been required to repay over the period beginning January 1, 2018, and  
 14 ending September 30, 2018, due to positive errors.

15           SECTION 6. IC 12-14-30-9 IS ADDED TO THE INDIANA CODE  
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 17 1, 2026]: **Sec. 9. (a) An individual is not eligible to receive SNAP**  
 18 **benefits unless the individual is a resident of the United States who**  
 19 **meets at least one (1) of the following:**

20           **(1) Is a citizen or national of the United States.**

21           **(2) Is an alien lawfully admitted for permanent residence (as**  
 22 **defined in 8 U.S.C. 1101(a)(20) as an immigrant (as defined in**  
 23 **8 U.S.C. 1101(a)(15)), not including the following:**

24           **(A) An alien visitor.**

25           **(B) A tourist.**

26           **(C) A diplomat.**

27           **(D) A student.**

28           **(E) Any other individual admitted temporarily without**  
 29 **intent to abandon the individual's residence in a foreign**  
 30 **country.**

31           **(3) Is an alien who has been granted the status of Cuban or**  
 32 **Haitian entrant, as set forth in Section 501(e) of the Refugee**  
 33 **Education Assistance Act of 1980.**

34           **(4) Is an individual lawfully residing in the United States in**  
 35 **accordance with a Compact of Free Association under 8**  
 36 **U.S.C. 1612(b)(2)(G).**

37           (b) The division shall verify that an individual is eligible for  
 38 SNAP benefits under subsection (a) and 7 U.S.C. 2015(f) during  
 39 enrollment and eligibility recertification by verifying citizenship or  
 40 eligible alien status using the Social Security Administration  
 41 database or the Systematic Alien Verification for Entitlements  
 42 (SAVE) online service.



1 (c) If the division is unable to verify eligibility under subsection  
 2 (b), the division shall verify citizenship through an acceptable form  
 3 of proof of citizenship or eligible alien status. An acceptable form  
 4 of proof includes the following:

- 5 (1) A certified birth certificate.  
 6 (2) United States passport.  
 7 (3) United States Citizenship and Immigration Services  
 8 documentation.

9 The individual shall submit the documentation to the division  
 10 required for verification under this subsection.

11 (d) The division shall submit to the United States Department of  
 12 Agriculture information concerning any household member for  
 13 whom the division is unable to verify eligible citizenship or  
 14 immigration status, regardless of whether the household member  
 15 is applying to participate in SNAP as a member of the household.

16 (e) Notwithstanding any option set forth in 7 CFR 273.11(c)(3),  
 17 the division:

- 18 (1) shall consider the entire income and financial resources of  
 19 any individual determined to be ineligible to participate in  
 20 SNAP under subsection (a) or 7 U.S.C. 2015(f) when  
 21 determining the eligibility and benefit allotment of the  
 22 household of which the individual is a member; and  
 23 (2) may not prorate or exclude the income or financial  
 24 resources of the ineligible individual.

25 SECTION 7. IC 12-14-30-10 IS ADDED TO THE INDIANA  
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2026]: Sec. 10. (a) As used in this section,  
 28 "candy" means a preparation of sugar, honey, or other natural or  
 29 artificial sweeteners in combination with chocolate, fruits, nuts, or  
 30 other ingredients or flavorings in the form of bars, drops, or pieces.  
 31 The term does not include any preparation requiring refrigeration.

32 (b) As used in this section, "soft drink" means nonalcoholic  
 33 beverages that contain natural or artificial sweeteners. The term  
 34 does not include beverages that contain milk or milk products, soy,  
 35 rice, or similar milk substitutes, or are exclusively naturally  
 36 sweetened using natural vegetable or fruit juice.

37 (c) A SNAP recipient may not use SNAP benefits to purchase  
 38 candy or soft drinks.

39 (d) If the office of the secretary determines that a waiver or  
 40 authorization by a federal agency is needed to implement this  
 41 section, the office of the secretary shall request the necessary  
 42 waiver or authorization.



1 SECTION 8. IC 12-15-1-24, AS AMENDED BY THE  
2 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL  
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2027]: Sec. 24. (a) Except as required under federal law,  
5 the office of the secretary may not accept self-attestation of any of the  
6 following in the administration of the Medicaid program without  
7 verification before enrollment:

- 8 (1) Income.  
9 (2) Residency.  
10 (3) Age.  
11 (4) Household composition.  
12 (5) Caretaker or relative status.  
13 (6) Receipt of other coverage.

14 (b) The office of the secretary shall enter into a data matching  
15 agreement with:

- 16 (1) the state lottery commission; and  
17 (2) the Indiana gaming commission;

18 to, on at least a monthly basis, identify individuals receiving Medicaid  
19 assistance with lottery and gambling winnings of at least three  
20 thousand dollars (\$3,000). Upon verification of any winnings resulting  
21 in the individual no longer being eligible for Medicaid, the office of the  
22 secretary shall terminate the individual's enrollment.

23 (c) On at least a monthly basis, the office of the secretary shall  
24 review vital statistics information provided by the Indiana department  
25 of health under IC 16-19-3-19 to determine removal of deceased  
26 individuals from Medicaid enrollment.

27 (d) On at least a quarterly basis, the office of the secretary shall  
28 receive and review information from the department of state revenue  
29 and the department of workforce development concerning Medicaid  
30 recipients that indicates a change in circumstances that may affect  
31 eligibility, including changes to employment or wages.

32 (e) On at least an annual basis, the office of the secretary shall  
33 receive and review information from the department of state revenue  
34 concerning Medicaid recipients, including:

- 35 (1) adjusted gross income; and  
36 (2) family composition;

37 that indicates a change in circumstances that may affect Medicaid  
38 eligibility.

39 (f) On at least a monthly basis, the office of the secretary shall  
40 review information concerning Medicaid recipients who also receive  
41 SNAP **benefits** to determine whether there has been any change in  
42 circumstances that may affect Medicaid eligibility, including a change



1 in residency as may be identified through electronic benefit transfer  
2 program transactions.

3 (g) On at least a monthly basis, the office of the secretary shall  
4 receive and review information from the department of correction  
5 concerning Medicaid recipients that may indicate a change in  
6 circumstances that may affect Medicaid eligibility.

7 (h) Upon receiving information concerning a Medicaid recipient  
8 that indicates a change in circumstances that may affect Medicaid  
9 eligibility, the office of the secretary shall promptly conduct an  
10 eligibility redetermination for the recipient.

11 **(i) Unless prohibited by federal law, the office of the secretary**  
12 **shall conduct a Medicaid eligibility redetermination for a recipient**  
13 **as follows:**

14 **(1) At least one (1) time every six (6) months for a nonelderly**  
15 **adult Medicaid recipient whose eligibility is determined based**  
16 **upon a modified adjusted gross income standard under 42**  
17 **CFR 435.603, including adults eligible under 42 U.S.C.**  
18 **1396u-1.**

19 **(2) At least one (1) time every twelve (12) months for any**  
20 **other Medicaid recipient.**

21 SECTION 9. IC 12-15-1-25, AS ADDED BY P.L.126-2025,  
22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2026]: Sec. 25. (a) Unless prohibited by federal law and on at  
24 least a monthly basis, the office of the secretary shall review the  
25 following to assess continuous eligibility of Medicaid recipients:

26 (1) The following information maintained by the United States  
27 Social Security Administration:

- 28 (A) Earned income information.
- 29 (B) Death register information.
- 30 (C) Incarceration records.
- 31 (D) Supplemental security income information.
- 32 (E) Beneficiary records.
- 33 (F) Earnings information.
- 34 (G) Pension information.

35 (2) The following information maintained by the United States  
36 Department of Health and Human Services:

- 37 (A) Income and employment information maintained in the  
38 national directory of new hires data base.
- 39 (B) Child support enforcement data.

40 (3) Change of address **or mail forwarding address** information  
41 maintained by the United States Postal Service.



1 (4) Payment and earnings information maintained by the United  
2 States Department of Housing and Urban Development.

3 (5) National fleeing felon information maintained by the United  
4 States Federal Bureau of Investigation.

5 (6) Tax filing information maintained by the United States  
6 Department of the Treasury.

7 (b) The office of the secretary may contract with an independent  
8 third party for additional data base searches that may contain  
9 information that indicates a change in circumstances that may affect  
10 Medicaid applicant or recipient eligibility.

11 **(c) At least one (1) time per month, the office of the secretary**  
12 **shall transmit information as prescribed by the United States**  
13 **Department of Health and Human Services to prevent Medicaid**  
14 **enrollment in more than one (1) state.**

15 SECTION 10. IC 12-15-2-2 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 2. The county  
17 office shall determine eligibility and shall certify to the office at the  
18 time and in the manner required by the office a list of individuals who  
19 have been found eligible to receive Medicaid and the effective date for  
20 the payment of assistance under this chapter. The date must be:

21 **(1) not earlier than one (1) month before the first day of the**  
22 **month in which the application or request is made for individuals**  
23 **eligible under IC 12-15-44.5; and**

24 **(2) not earlier than two (2) months before the first day of the**  
25 **month in which an application or request is made for any**  
26 **other individual not described in subdivision (1).**

27 SECTION 11. IC 12-15-2-17.2 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2026]: Sec. 17.2. **(a) This section is effective**  
30 **October 1, 2026.**

31 **(b) Except as otherwise provided by federal law, the office of the**  
32 **secretary shall count any income of a household member who is**  
33 **ineligible due to the household member's immigration status when**  
34 **calculating and determining an individual's financial eligibility for**  
35 **Medicaid.**

36 **(c) The office of the secretary shall apply for any Medicaid state**  
37 **plan amendment necessary to implement this section.**

38 SECTION 12. IC 12-15-2.5-1 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE OCTOBER 1, 2026]: Sec. 1. **(a) This**  
40 **section does not apply to any alien for whom federal financial**  
41 **participation is unavailable under 42 U.S.C. 1396b(v)(5) or any**  
42 **alien who has not satisfied the requirements of 8 U.S.C. 1613.**



1 (b) A person who:

2 (1) is classified as a refugee (as defined in 8 U.S.C. 1101)  
3 **lawfully admitted for permanent residence (as defined in 8**  
4 **U.S.C. 1101(a)(20);**

5 (2) **has been granted the status of Cuban or Haitian entrant**  
6 **under Section 501(e) of the Refugee Education Assistance Act**  
7 **of 1980; or**

8 (3) **lawfully resides in the United States in accordance with a**  
9 **Compact of Free Association under 8 U.S.C. 1612(b)(2)(G);**

10 is eligible for all services under this article as if the person were  
11 classified as a citizen of the United States.

12 SECTION 13. IC 12-15-2.5-3, AS AMENDED BY P.L.1-2007,  
13 SECTION 121, IS AMENDED TO READ AS FOLLOWS  
14 [EFFECTIVE OCTOBER 1, 2026]: Sec. 3. A person who is in the  
15 United States ~~without permission of the United States Citizenship and~~  
16 ~~Immigration Services and who does not meet the requirements of 42~~  
17 ~~U.S.C. 1396b(v)(5)~~ is not entitled to receive assistance under this  
18 article.

19 SECTION 14. IC 12-15-2.5-3.5 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) **This section is effective**  
22 **October 1, 2026.**

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

24 (1) **Verify citizenship or satisfactory immigration status for**  
25 **each applicant, recipient, or identified household member of**  
26 **an applicant or recipient.**

27 (2) **Either:**

28 (A) **after a reasonable opportunity period to verify**  
29 **citizenship or satisfactory immigration status where the**  
30 **status could not be verified; or**

31 (B) **upon receipt of verification that indicates that the**  
32 **applicant, recipient, or household member is not a United**  
33 **States citizen or lacks satisfactory immigration status and**  
34 **has entered the United States without inspection or**  
35 **admission, or has remained beyond the expiration of an**  
36 **authorized period of stay;**

37 **promptly refer the applicant, recipient, or household member**  
38 **of an applicant or recipient to the United States Department**  
39 **of Homeland Security or any other appropriate federal**  
40 **authority for further investigation and enforcement.**

41 SECTION 15. IC 12-15-4-1.3 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2026]: **Sec. 1.3. (a) This section is effective**  
 2 **October 1, 2026.**

3 (b) **The office shall include a field concerning an applicant's**  
 4 **immigration status on any Medicaid presumptive eligibility**  
 5 **application used for the Medicaid program.**

6 (c) **A hospital, clinic, or other qualified entity conducting a**  
 7 **presumptive eligibility determination shall collect and transmit the**  
 8 **required information concerning the applicant's immigration**  
 9 **status as part of the individual's presumptive eligibility application.**

10 (d) **A presumptive eligibility application may not be approved**  
 11 **unless the applicant's immigration status has been verified to meet**  
 12 **the requirements set forth in IC 12-15-2.5-1.**

13 SECTION 16. IC 12-15-44.5-1.5 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**  
 16 **"office" refers to the office of the secretary.**

17 SECTION 17. IC 12-15-44.5-3, AS AMENDED BY P.L.126-2025,  
 18 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2026]: **Sec. 3. (a) The healthy Indiana plan is established. The**  
 20 **secretary shall oversee the plan and has the authority to set policy**  
 21 **for the plan in compliance with this chapter.**

22 (b) The office, **under the direction of the secretary,** shall  
 23 administer the plan.

24 (c) The adult group described in 42 CFR 435.119 may be eligible  
 25 for the plan if the conditions in section 4 of this chapter are met and if  
 26 the individual meets at least one (1) of the following:

27 (1) Is working at least ~~twenty (20)~~ **eighty (80)** hours per ~~week on~~  
 28 ~~a monthly average.~~ **month.**

29 (2) Is participating in and complying with the requirements of a  
 30 work program for at least ~~twenty (20)~~ **eighty (80)** hours per ~~week,~~  
 31 ~~as determined by the office.~~ **month.**

32 (3) Is volunteering **or performing community service** at least  
 33 ~~twenty (20)~~ **eighty (80)** hours per ~~week,~~ as determined by the  
 34 ~~office.~~ **month.**

35 (4) Undertakes a combination of the activities described in  
 36 subdivision (1), (2), or (3) for a combined total of at least ~~twenty~~  
 37 ~~(20)~~ **eighty (80)** hours per ~~week,~~ as determined by the ~~office.~~  
 38 **month.**

39 (5) Participates in and complies with the **work** requirements of a  
 40 ~~workfare program,~~ as determined by the ~~office.~~ **the TANF**  
 41 **program or SNAP.**



- 1 (6) Receives unemployment compensation and complies with  
 2 federal and state work requirements under the unemployment  
 3 compensation system. **Has:**  
 4 (A) a monthly income of at least the applicable minimum  
 5 wage requirement under 29 U.S.C. 206, multiplied by  
 6 eighty (80) hours; or  
 7 (B) an average monthly income in the preceding six (6)  
 8 months that is not less than the applicable minimum wage  
 9 requirements under 29 U.S.C. 206, multiplied by eighty  
 10 (80) hours and is a seasonal worker as defined under 26  
 11 U.S.C. 45R(d)(5)(B).  
 12 (7) Participates in a ~~substance use~~ drug addiction or alcoholic  
 13 treatment and rehabilitation program, as defined in 7 U.S.C.  
 14 2012(h).  
 15 (8) Is medically certified as physically or mentally unfit for  
 16 employment: medically frail (as defined in 42 CFR 440.315(f)).  
 17 (9) Is:  
 18 (A) pregnant;  
 19 (B) entitled to postpartum medical assistance under 42  
 20 U.S.C. 1396a(e)(5) or 42 U.S.C. 1396a(e)(16); or is  
 21 (C) a parent, guardian, or caretaker relative responsible for  
 22 the care of a dependent child less than six (6) fourteen (14)  
 23 years of age.  
 24 (10) Is a parent, spouse, or caretaker family caregiver under  
 25 Section 2 of the RAISE Family Caregivers Act personally  
 26 providing the care for an individual with a serious medical  
 27 condition or a disability.  
 28 (11) Is an individual who has been released from incarceration for  
 29 less than ninety (90) days: is an inmate of a public institution.  
 30 (12) Is an Indiana resident enrolled in and attending an accredited  
 31 educational program full at least half time.  
 32 (13) Is, as set forth in the Indian Health Care Improvement  
 33 Act:  
 34 (A) an Indian;  
 35 (B) an urban Indian; or  
 36 (C) a California Indian;  
 37 or has otherwise been determined eligible as an Indian by the  
 38 federal Indian Health Service.  
 39 (14) Is eligible for medical assistance under 42 U.S.C.  
 40 1396a(a)(10)(A)(i)(IX).  
 41 (15) Is a veteran with a disability rated as total under 38  
 42 U.S.C. 1155.



- 1 An individual must meet the Medicaid residency requirements under  
 2 IC 12-15-4-4 and this article to be eligible for the plan.
- 3 (d) The following individuals are not eligible for the plan:  
 4 (1) An individual who participates in the federal Medicare  
 5 program (42 U.S.C. 1395 et seq.).  
 6 (2) An individual who is otherwise eligible and enrolled for  
 7 medical assistance.
- 8 (e) The department of insurance and the office of the secretary shall  
 9 provide oversight of the marketing practices of the plan.
- 10 (f) The office shall promote the plan and provide information to  
 11 potential eligible individuals who live in medically underserved rural  
 12 areas of Indiana.
- 13 (g) The office shall, to the extent possible, ensure that enrollment in  
 14 the plan is distributed throughout Indiana in proportion to the number  
 15 of individuals throughout Indiana who are eligible for participation in  
 16 the plan.
- 17 (h) The office shall establish standards for consumer protection,  
 18 including the following:  
 19 (1) Quality of care standards.  
 20 (2) A uniform process for participant grievances and appeals.  
 21 (3) Standardized reporting concerning provider performance,  
 22 consumer experience, and cost.
- 23 (i) A health care provider that provides care to an individual who  
 24 receives health coverage under the plan shall also participate in the  
 25 Medicaid program under this article.
- 26 (j) The following do not apply to the plan:  
 27 (1) IC 12-15-12.  
 28 (2) IC 12-15-13.  
 29 (3) IC 12-15-14.  
 30 (4) IC 12-15-15.  
 31 (5) IC 12-15-21.  
 32 (6) IC 12-15-26.  
 33 (7) IC 12-15-31.1.  
 34 (8) IC 12-15-34.  
 35 (9) IC 12-15-35.  
 36 (10) IC 16-42-22-10.
- 37 SECTION 18. IC 12-15-44.5-3.5, AS AMENDED BY  
 38 P.L.180-2022(ss), SECTION 16, IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) The plan  
 40 must include the following in a manner and to the extent determined by  
 41 the ~~office~~: **secretary**:  
 42 (1) Mental health care services.



- 1 (2) Inpatient hospital services.
- 2 (3) Prescription drug coverage, including coverage of a long
- 3 acting, nonaddictive medication assistance treatment drug if the
- 4 drug is being prescribed for the treatment of substance abuse.
- 5 (4) Emergency room services.
- 6 (5) Physician office services.
- 7 (6) Diagnostic services.
- 8 (7) Outpatient services, including therapy services.
- 9 (8) Comprehensive disease management.
- 10 (9) Home health services, including case management.
- 11 (10) Urgent care center services.
- 12 (11) Preventative care services.
- 13 (12) Family planning services:
- 14 (A) including contraceptives and sexually transmitted disease
- 15 testing, as described in federal Medicaid law (42 U.S.C. 1396
- 16 et seq.); and
- 17 (B) not including abortion or abortifacients.
- 18 (13) Hospice services.
- 19 (14) Substance abuse services.
- 20 (15) Donated breast milk that meets requirements developed by
- 21 the office of Medicaid policy and planning.
- 22 (16) A service determined by the secretary to be required by
- 23 federal law as a benchmark service under the federal Patient
- 24 Protection and Affordable Care Act.
- 25 (b) The plan may not permit treatment limitations or financial
- 26 requirements on the coverage of mental health care services or
- 27 substance abuse services if similar limitations or requirements are not
- 28 imposed on the coverage of services for other medical or surgical
- 29 conditions.
- 30 (c) The plan may provide vision services and dental services only
- 31 to individuals who regularly make the required monthly contributions
- 32 for the plan as set forth in section 4.7(c) of this chapter.
- 33 (d) The benefit package offered in the plan:
- 34 (1) must be benchmarked to a commercial health plan described
- 35 in 45 CFR 155.100(a)(1) or 45 CFR 155.100(a)(4); and
- 36 (2) may not include a benefit that is not present in at least one (1)
- 37 of these commercial benchmark options.
- 38 (e) The office shall provide to an individual who participates in the
- 39 plan a list of health care services that qualify as preventative care
- 40 services for the age, gender, and preexisting conditions of the
- 41 individual. The office shall consult with the federal Centers for Disease



- 1 Control and Prevention for a list of recommended preventative care  
2 services.
- 3 (f) The plan shall, at no cost to the individual, provide payment of  
4 preventative care services described in 42 U.S.C. 300gg-13 for an  
5 individual who participates in the plan.
- 6 (g) The plan shall, at no cost to the individual, provide payments of  
7 not more than five hundred dollars (\$500) per year for preventative  
8 care services not described in subsection (f). Any additional  
9 preventative care services covered under the plan and received by the  
10 individual during the year are subject to the deductible and payment  
11 requirements of the plan.
- 12 ~~(h) The office shall apply to the United States Department of Health  
13 and Human Services for any amendment to the waiver necessary to  
14 implement the providing of the services or supplies described in  
15 subsection (a)(15). This subsection expires July 1, 2024.~~
- 16 SECTION 19. IC 12-15-44.5-4, AS AMENDED BY P.L.216-2025,  
17 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 UPON PASSAGE]: Sec. 4. (a) The plan:
- 19 (1) is not an entitlement program;
- 20 (2) serves as an alternative to health care coverage under Title  
21 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.);
- 22 (3) except as provided in section 4.2(a) of this chapter, must not  
23 grant eligibility under the state Medicaid plan for medical  
24 assistance under 42 U.S.C. 1396a; and
- 25 (4) must grant eligibility for the plan through an approved  
26 demonstration project under 42 U.S.C. 1315.
- 27 (b) If any of the following occurs, the ~~office~~ **secretary** shall  
28 terminate the plan in accordance with section 6(b) of this chapter:
- 29 (1) The:
- 30 (A) percentages of federal medical assistance available to the  
31 plan for coverage of plan participants described in Section  
32 1902(a)(10)(A)(i)(VIII) of the federal Social Security Act are  
33 less than the percentages provided for in Section  
34 2001(a)(3)(B) of the federal Patient Protection and Affordable  
35 Care Act; and
- 36 (B) office, after considering the modification and the reduction  
37 in available funding, does not alter:
- 38 (i) the formula established under IC 16-21-10-13.3(b)(1) to  
39 cover the amount of the reduction in federal medical  
40 assistance; or
- 41 (ii) if applicable, the fee formula used to fund the  
42 reimbursement for inpatient and outpatient hospital services



- 1 under IC 16-21-10-8.5 to cover the amount of the reduction  
 2 in federal medical assistance.
- 3 For purposes of this subdivision, "coverage of plan participants"  
 4 includes reimbursement, payments, contributions, and amounts  
 5 referred to in IC 16-21-10-13.3(b)(1)(A),  
 6 IC 16-21-10-13.3(b)(1)(C), and IC 16-21-10-13.3(b)(1)(D),  
 7 including reimbursement, payments, contributions, and amounts  
 8 incurred before termination of the plan.
- 9 (2) The:
- 10 (A) methodology of calculating the incremental fee set forth in  
 11 IC 16-21-10-13.3 is modified in any way that results in a  
 12 reduction in available funding;
- 13 (B) office, after considering the modification and reduction in  
 14 available funding, does not alter:
- 15 (i) the formula established under IC 16-21-10-13.3(b)(1) to  
 16 cover the amount of the reduction in fees; or
- 17 (ii) if applicable, the fee formula used to fund the  
 18 reimbursement for inpatient and outpatient hospital services  
 19 under IC 16-21-10-8.5 to cover the amount of the reduction  
 20 in fees; and
- 21 (C) office does not use alternative financial support to cover  
 22 the amount of the reduction in fees.
- 23 (3) The Medicaid waiver approving the plan is revoked,  
 24 rescinded, vacated, or otherwise altered in a manner that the state  
 25 cannot comply with the requirements of this chapter.
- 26 (c) If federal financial participation for recipients covered under the  
 27 plan is less than ninety percent (90%), the ~~office~~ **secretary** may  
 28 terminate the plan in accordance with section 6(b) of this chapter.
- 29 (d) If the plan is terminated under subsection (b), the secretary may  
 30 implement a plan for coverage of the affected population in a manner  
 31 consistent with the healthy Indiana plan (IC 12-15-44.2 (before its  
 32 repeal)) in effect on January 1, 2014:
- 33 (1) subject to prior approval of the United States Department of  
 34 Health and Human Services; and
- 35 (2) using funding from the incremental fee set forth in  
 36 IC 16-21-10-13.3.
- 37 (e) The ~~office~~ **secretary** may not operate the plan in a manner that  
 38 would obligate the state to financial participation beyond the level of  
 39 state appropriations or funding otherwise authorized for the plan.
- 40 (f) The office of the secretary shall submit annually to the budget  
 41 committee an actuarial analysis of the plan that reflects a determination



1 that sufficient funding is reasonably estimated to be available to  
2 operate the plan.

3 SECTION 20. IC 12-15-44.5-4.2, AS ADDED BY P.L.126-2025,  
4 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 UPON PASSAGE]: Sec. 4.2. (a) Notwithstanding section 3 of this  
6 chapter, the ~~office of the~~ secretary shall amend the Medicaid state plan  
7 to not include individuals described in 42 CFR 435.119. The ~~office of~~  
8 ~~the~~ secretary shall delay the effective date of the amendment to not  
9 later than upon the completion of negotiations with the United States  
10 Department of Health and Human Services for a 3.0 plan waiver and  
11 an approved implementation of the waiver.

12 (b) The ~~office of the~~ secretary shall continue to operate the plan, as  
13 in effect on January 1, 2025, until the effective date of a 3.0 plan  
14 waiver authorized by the United States Department of Health and  
15 Human Services or the expiration, termination, or vacatur of the waiver  
16 authorizing the plan. **However, the following statutes shall be**  
17 **implemented before the following dates:**

18 (1) **Section 3(c) of this chapter, before January 1, 2027.**

19 (2) **Section 5.7 of this chapter, before October 2, 2028.**

20 SECTION 21. IC 12-15-44.5-4.5, AS ADDED BY P.L.30-2016,  
21 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 UPON PASSAGE]: Sec. 4.5. (a) An individual who participates in the  
23 plan must have a health care account to which payments may be made  
24 for the individual's participation in the plan.

25 (b) An individual's health care account must be used to pay the  
26 individual's deductible for health care services under the plan.

27 (c) An individual's deductible must be at least two thousand five  
28 hundred dollars (\$2,500) per year.

29 (d) An individual may make payments to the individual's health care  
30 account as follows:

31 (1) An employer withholding or causing to be withheld from a  
32 employee's wages or salary, after taxes are deducted from the  
33 wages or salary, the individual's contribution under this chapter  
34 and distributed equally throughout the calendar year.

35 (2) Submission of the individual's contribution under this chapter  
36 to the office to deposit in the individual's health care account in  
37 a manner prescribed by the ~~office:~~ **secretary.**

38 (3) Another method determined by the ~~office:~~ **secretary.**

39 SECTION 22. IC 12-15-44.5-4.7, AS AMENDED BY  
40 P.L.126-2025, SECTION 12, IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4.7. (a) To participate  
42 in the plan, an individual must:



- 1           (1) apply for the plan on a form prescribed by the ~~office;~~  
 2           **secretary;**  
 3           **(2) comply with the requirements of section 3(c) of this**  
 4           **chapter for the three (3) consecutive months immediately**  
 5           **preceding the month the individual applies to the plan; and**  
 6           **(3) provide documentary evidence of compliance with**  
 7           **subdivision (2).**  
 8           **The secretary may not accept self-attestation by the applicant as**  
 9           **evidence of compliance.** The ~~office~~ **secretary** may develop and allow  
 10          a joint application for a household.  
 11          (b) A pregnant woman is not subject to the cost sharing provisions  
 12          of the plan. Subsections (c) through (g) do not apply to a pregnant  
 13          woman participating in the plan.  
 14          (c) An applicant who is approved to participate in the plan does not  
 15          begin benefits under the plan until a payment of at least:  
 16                  (1) one-twelfth (1/12) of the annual income contribution amount;  
 17                  or  
 18                  (2) ten dollars (\$10);  
 19          is made to the individual's health care account established under  
 20          section 4.5 of this chapter for the individual's participation in the plan.  
 21          To continue to participate in the plan, an individual must contribute to  
 22          the individual's health care account at least two percent (2%) of the  
 23          individual's annual household income per year or an amount  
 24          determined by the secretary that is based on the individual's annual  
 25          household income per year, but not less than one dollar (\$1) per month.  
 26          The amount determined by the secretary under this subsection must be  
 27          approved by the United States Department of Health and Human  
 28          Services and must be budget neutral to the state as determined by the  
 29          state budget agency.  
 30          (d) If an applicant who is approved to participate in the plan fails to  
 31          make the initial payment into the individual's health care account, at  
 32          least the following must occur:  
 33                  (1) If the individual has an annual income that is at or below one  
 34                  hundred percent (100%) of the federal poverty income level, the  
 35                  individual's benefits are reduced as specified in subsection (e)(1).  
 36                  (2) If the individual has an annual income of more than one  
 37                  hundred percent (100%) of the federal poverty income level, the  
 38                  individual is not enrolled in the plan.  
 39          (e) If an enrolled individual's required monthly payment to the plan  
 40          is not made within sixty (60) days after the required payment date, the  
 41          following, at a minimum, occur:



- 1 (1) For an individual who has an annual income that is at or below  
 2 one hundred percent (100%) of the federal income poverty level,  
 3 the individual is:
- 4 (A) transferred to a plan that has a material reduction in  
 5 benefits, including the elimination of benefits for vision and  
 6 dental services; and  
 7 (B) required to make copayments for the provision of services  
 8 that may not be paid from the individual's health care account.
- 9 (2) For an individual who has an annual income of more than one  
 10 hundred percent (100%) of the federal poverty income level, the  
 11 individual shall be terminated from the plan and may not reenroll  
 12 in the plan for at least six (6) months.
- 13 (f) The state shall contribute to the individual's health care account  
 14 the difference between the individual's payment required under this  
 15 section and the plan deductible set forth in section 4.5(c) of this  
 16 chapter.
- 17 (g) A member shall remain enrolled with the same managed care  
 18 organization during the member's benefit period. A member may  
 19 change managed care organizations as follows:
- 20 (1) Without cause:
- 21 (A) before making a contribution or before finalizing  
 22 enrollment in accordance with subsection (d)(1); or  
 23 (B) during the annual plan renewal process.
- 24 (2) For cause, as determined by the office **under the direction of**  
 25 **the secretary.**
- 26 (h) The office may reimburse medical providers at the appropriate  
 27 Medicaid fee schedule rate for certified medical claims incurred prior  
 28 to the beginning of benefits under subsection (c) provided that the  
 29 claims:
- 30 (1) were incurred not more than ~~thirty (30) days~~ **one (1) month**  
 31 **prior to the individual's application; and**  
 32 (2) are on behalf of an individual who:
- 33 (A) is approved to participate in the plan;  
 34 (B) is enrolled in the plan subject to the provisions in  
 35 subsection (d); and  
 36 (C) was eligible for the plan at the time care and services were  
 37 furnished.
- 38 (i) **An enrolled individual in the plan must be in compliance with**  
 39 **section 3(c) of this chapter in each month in order to remain**  
 40 **enrolled in the plan.**
- 41 SECTION 23. IC 12-15-44.5-4.9, AS AMENDED BY  
 42 P.L.114-2018, SECTION 6, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JANUARY 1, 2027]: Sec. 4.9. (a) An individual who is  
 2 approved to participate in the plan is eligible for a ~~twelve (12) month~~  
 3 ~~plan period~~ if the individual continues to meet the plan requirements  
 4 specified in this chapter.

5 (b) If an individual chooses to renew participation in the plan, the  
 6 individual is subject to ~~an annual~~ **a semiannual** renewal process ~~at the~~  
 7 ~~end of the benefit period~~ to determine continued eligibility for  
 8 participating in the plan. ~~If the individual does not complete the~~  
 9 ~~renewal process, the individual may not reenroll in the plan for at least~~  
 10 ~~six (6) months.~~

11 (c) This subsection applies to participants who consistently made  
 12 the required payments in the individual's health care account. If the  
 13 individual receives the qualified preventative services recommended  
 14 to the individual during the year, the individual is eligible to have the  
 15 individual's unused share of the individual's health care account at the  
 16 end of the plan period, determined by the office, matched by the state  
 17 and carried over to the subsequent plan period to reduce the  
 18 individual's required payments. If the individual did not, during the  
 19 plan period, receive all qualified preventative services recommended  
 20 to the individual, only the nonstate contribution to the health care  
 21 account may be used to reduce the individual's payments for the  
 22 subsequent plan period.

23 (d) For individuals participating in the plan who, in the past, did not  
 24 make consistent payments into the individual's health care account  
 25 while participating in the plan, but:

26 (1) had a balance remaining in the individual's health care  
 27 account; and

28 (2) received all of the required preventative care services;

29 the ~~office secretary~~ may elect to offer a discount on the individual's  
 30 required payments to the individual's health care account for the  
 31 subsequent benefit year. The amount of the discount under this  
 32 subsection must be related to the percentage of the health care account  
 33 balance at the end of the plan year but not to exceed a fifty percent  
 34 (50%) discount of the required contribution.

35 (e) If an individual is no longer eligible for the plan, does not renew  
 36 participation in the plan at the end of the plan period, or is terminated  
 37 from the plan for nonpayment of a required payment, the office shall,  
 38 not more than one hundred twenty (120) days after the last date of the  
 39 plan benefit period, refund to the individual the amount determined  
 40 under subsection (f) of any funds remaining in the individual's health  
 41 care account as follows:



- 1 (1) An individual who is no longer eligible for the plan or does
- 2 not renew participation in the plan at the end of the plan period
- 3 shall receive the amount determined under STEP FOUR of
- 4 subsection (f).
- 5 (2) An individual who is terminated from the plan due to
- 6 nonpayment of a required payment shall receive the amount
- 7 determined under STEP SIX of subsection (f).
- 8 The office may charge a penalty for any voluntary withdrawals from the
- 9 health care account by the individual before the end of the plan benefit
- 10 year. The individual may receive the amount determined under STEP
- 11 SIX of subsection (f).
- 12 (f) The office, **under the direction of the secretary**, shall
- 13 determine the amount payable to an individual described in subsection
- 14 (e) as follows:
- 15 STEP ONE: Determine the total amount paid into the individual's
- 16 health care account under this chapter.
- 17 STEP TWO: Determine the total amount paid into the individual's
- 18 health care account from all sources.
- 19 STEP THREE: Divide STEP ONE by STEP TWO.
- 20 STEP FOUR: Multiply the ratio determined in STEP THREE by
- 21 the total amount remaining in the individual's health care account.
- 22 STEP FIVE: Subtract any nonpayments of a required payment.
- 23 STEP SIX: Multiply the amount determined under STEP FIVE by
- 24 at least seventy-five hundredths (0.75).
- 25 **(g) The office of the secretary shall conduct an eligibility**
- 26 **redetermination for each plan participant at least one (1) time**
- 27 **every six (6) months.**
- 28 SECTION 24. IC 12-15-44.5-5, AS AMENDED BY P.L.201-2023,
- 29 SECTION 136, IS AMENDED TO READ AS FOLLOWS
- 30 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A managed care
- 31 organization that contracts with the office to provide health coverage,
- 32 dental coverage, or vision coverage to an individual who participates
- 33 in the plan:
- 34 (1) is responsible for the claim processing for the coverage;
- 35 (2) shall reimburse providers at a rate that is not less than the rate
- 36 established by the secretary; and
- 37 (3) may not deny coverage to an eligible individual who has been
- 38 approved by the office to participate in the plan.
- 39 (b) A managed care organization that contracts with the office to
- 40 provide health coverage under the plan must incorporate cultural
- 41 competency standards established by the ~~office~~ **secretary**. The



1 standards must include standards for non-English speaking, minority,  
2 and disabled populations.

3 SECTION 25. IC 12-15-44.5-5.5, AS ADDED BY P.L.30-2016,  
4 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 UPON PASSAGE]: Sec. 5.5. The office, **under the direction of the**  
6 **secretary**, shall refer any member of the plan who:

- 7 (1) is employed for less than twenty (20) hours per week; and
- 8 (2) is not a full-time student;

9 to a workforce training and job search program.

10 SECTION 26. IC 12-15-44.5-5.7, AS AMENDED BY  
11 P.L.114-2018, SECTION 7, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2026]: Sec. 5.7. **(a)** Subject to appeal to the  
13 office **and except as provided in subsection (b)**, an individual ~~may~~  
14 **shall** be held responsible under the plan for receiving nonemergency  
15 services in an emergency room setting, including prohibiting the  
16 individual from using funds in the individual's health care account to  
17 pay for the nonemergency services and paying a copayment for the  
18 services of at least:

- 19 (1) eight dollars (\$8) **for an individual who has an income of**  
20 **one hundred percent (100%) or less of the federal poverty**  
21 **level; or**
- 22 (2) **thirty-five dollars (\$35) for an individual who has an**  
23 **income of more than one hundred percent (100%) of the**  
24 **federal poverty level;**

25 for the nonemergency use of a hospital emergency department.

26 **(b)** ~~However,~~ An individual may not be prohibited from using funds  
27 in the individual's health care account to pay for nonemergency  
28 services provided in an emergency room setting for a medical condition  
29 that arises suddenly and unexpectedly and manifests itself by acute  
30 symptoms of such severity, including severe pain, that the absence of  
31 immediate medical attention could reasonably be expected by a prudent  
32 layperson who possesses an average knowledge of health and medicine  
33 to:

- 34 (1) place an individual's health in serious jeopardy;
- 35 (2) result in serious impairment to the individual's bodily  
36 functions; or
- 37 (3) result in serious dysfunction of a bodily organ or part of the  
38 individual.

39 **(c) In addition to the copayments described in subsection (a), the**  
40 **office of the secretary shall require a plan participant who has an**  
41 **income above one hundred percent (100%) of the federal poverty**  
42 **level to pay additional cost sharing requirements established by the**



1 office of the secretary in the amount of at least one dollar (\$1) and  
2 not more than thirty-five dollars (\$35).

3 (d) Unless otherwise allowed by federal law, the total aggregate  
4 amount of cost sharing charges imposed on a quarterly basis for a  
5 plan participant under this chapter may not exceed five percent  
6 (5%) of the plan participant's family income.

7 SECTION 27. IC 12-15-44.5-6, AS AMENDED BY P.L.216-2025,  
8 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 UPON PASSAGE]: Sec. 6. (a) For a state fiscal year beginning July 1,  
10 2018, and before July 1, 2024, the office, after review by the state  
11 budget committee, may determine that no incremental fees collected  
12 under IC 16-21-10-13.3 are required to be deposited into the phase out  
13 trust fund established under section 7 of this chapter. This subsection  
14 expires July 1, 2024.

15 (b) If the plan is to be terminated for any reason, the office  
16 secretary shall, if required, provide notice of termination of the plan  
17 to the United States Department of Health and Human Services and  
18 begin the process of phasing out the plan.

19 (c) Before submitting:

20 (1) an extension of; or

21 (2) a material amendment to;

22 the plan to the United States Department of Health and Human  
23 Services, the office secretary shall inform the Indiana Hospital  
24 Association of the extension or material amendment to the plan.

25 SECTION 28. IC 12-15-44.5-8, AS AMENDED BY P.L.152-2017,  
26 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 UPON PASSAGE]: Sec. 8. The following requirements apply to funds  
28 appropriated by the general assembly to the plan and the incremental  
29 fee used for purposes of IC 16-21-10-13.3:

30 (1) At least eighty-seven percent (87%) of the funds must be used  
31 to fund payment for health care services.

32 (2) An amount determined by the office of the secretary to fund:

33 (A) administrative costs of; and

34 (B) any profit made by;

35 a managed care organization under a contract with the office to  
36 provide health coverage under the plan. The amount determined  
37 under this subdivision may not exceed thirteen percent (13%) of  
38 the funds.

39 SECTION 29. IC 12-15-44.5-9, AS AMENDED BY P.L.93-2024,  
40 SECTION 113, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE UPON PASSAGE]: Sec. 9. The office secretary may  
42 adopt rules under IC 4-22-2 necessary to implement:



- 1 (1) this chapter; or  
 2 (2) a Section 1115 Medicaid demonstration waiver concerning the  
 3 plan that is approved by the United States Department of Health  
 4 and Human Services.
- 5 SECTION 30. IC 12-15-44.5-10, AS AMENDED BY P.L.126-2025,  
 6 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JANUARY 1, 2027]: Sec. 10. (a) The secretary has the authority to  
 8 provide benefits to individuals eligible under the adult group described  
 9 in 42 CFR 435.119 only in accordance with this chapter.
- 10 (b) The secretary shall limit enrollment in the plan to the number of  
 11 individuals that ensures that financial participation does not exceed the  
 12 level of state appropriations or other funding for the plan.
- 13 (c) The secretary may negotiate and make changes to the plan,  
 14 except that the secretary may not negotiate or change the plan in a way  
 15 that would do the following:
- 16 (1) Reduce the following:
- 17 (A) Contribution amounts below the minimum levels set forth  
 18 in section 4.7 of this chapter.
- 19 (B) Deductible amounts below the minimum amount  
 20 established in section 4.5(c) of this chapter.
- 21 (C) The number of hours required to satisfy the work  
 22 requirements specified in section 3(c)(1) of this chapter unless  
 23 expressly required by federal law.
- 24 (2) Remove or reduce the penalties for nonpayment set forth in  
 25 section 4.7 of this chapter.
- 26 (3) Revise the use of the health care account requirement set forth  
 27 in section 4.5 of this chapter.
- 28 (4) Include noncommercial benefits or add additional plan  
 29 benefits in a manner inconsistent with section 3.5 of this chapter.
- 30 (5) Allow services to begin:
- 31 (A) without the payment established or required by; or  
 32 (B) earlier than the time frames otherwise established by;  
 33 section 4.7 of this chapter.
- 34 (6) Reduce financial penalties for the inappropriate use of the  
 35 emergency room below the minimum levels set forth in section  
 36 5.7 of this chapter.
- 37 (7) Permit members to change health plans without cause in a  
 38 manner inconsistent with section 4.7(g) of this chapter.
- 39 (8) Operate the plan in a manner that would obligate the state to  
 40 financial participation beyond the level of state appropriations or  
 41 funding otherwise authorized for the plan.



1 (d) The secretary may make changes to the plan under this chapter  
 2 if the changes are required by federal law or regulation and the office  
 3 provides a written report of the changes to the state budget committee.

4 (e) **The secretary shall verify an individual's compliance with**  
 5 **the requirements of section 3(c) of this chapter on an ongoing, and**  
 6 **at least quarterly, basis. The secretary may not accept any of the**  
 7 **following methods as being sufficient to verify compliance:**

8 (1) **A plan participant's self-attestation of compliance.**

9 (2) **Designations, approvals, or determinations of compliance**  
 10 **by a managed care organization.**

11 (f) **The secretary may accept a medically frail status set forth in**  
 12 **section 3(c)(8) of this chapter only if the individual has been**  
 13 **medically certified as medically frail (as defined in 42 CFR**  
 14 **440.315(f)) by any of the following:**

15 (1) **A physician.**

16 (2) **A physician's assistant.**

17 (3) **An advanced practice registered nurse.**

18 (4) **A nurse.**

19 (5) **A designated representative of a physician's office, on**  
 20 **behalf of an individual described in subdivisions (1) through**  
 21 **(4).**

22 (6) **A psychologist.**

23 (7) **A social worker.**

24 (g) **The secretary may not do any of the following:**

25 (1) **Expand the definition of medically frail for purposes of**  
 26 **this chapter beyond the definition set forth in 42 CFR**  
 27 **440.315(f).**

28 (2) **Request the implementation of any additional exemptions**  
 29 **other than the exemptions set forth in section 3 of this**  
 30 **chapter.**

31 SECTION 31. P.L.213-2025, SECTION 25, IS AMENDED TO  
 32 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026  
 33 (RETROACTIVE)]: SECTION 25. Except as provided for under  
 34 IC 4-12-18 and IC 12-8-15, the governor of the state of Indiana is  
 35 solely authorized to accept on behalf of the state any and all federal  
 36 funds available to the state of Indiana. Federal funds received under  
 37 this SECTION are appropriated for purposes specified by the federal  
 38 government, subject to allotment by the budget agency. The provisions  
 39 of this SECTION and all other SECTIONS concerning the acceptance,  
 40 disbursement, review, and approval of any grant, loan, or gift made by  
 41 the federal government or any other source to the state or its agencies  
 42 and political subdivisions shall apply, notwithstanding any other law.



1 SECTION 32. P.L.213-2025, SECTION 26, IS AMENDED TO  
2 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026  
3 (RETROACTIVE)]; SECTION 26. Except as provided for under  
4 IC 4-12-18 **and IC 12-8-15**, federal funds received as revenue by a  
5 state agency or department are not available to the agency or  
6 department for expenditure until allotment has been made by the  
7 budget agency under IC 4-12-1-12(d).

8 SECTION 33. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-12-1-18, AS AMENDED BY P.L.174-2022, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 18. Except for allotment stipulations provided in IC 4-12-18 **and IC 12-8-15**, federal funds received by an instrumentality are appropriated for purposes specified by the federal government and the general assembly, if that body elects to appropriate federal funds, subject to allotment by the budget agency. The provisions of this chapter and other laws concerning the acceptance, disbursement, review, and approval of grants, loans, and gifts made by the federal government or any other source to the state or its agencies apply to instrumentalities.

SECTION 2. IC 12-7-2-24.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 24.3. "Candy", for purposes of IC 12-14-30-10, has the meaning set forth in IC 12-14-30-10(a).**

SECTION 3. IC 12-7-2-179.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 179.5. "Soft drink", for purposes of IC 12-14-30-10, has the meaning set forth in IC 12-14-30-10(b).**

SECTION 4. IC 12-8-15 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:**

**Chapter 15. Indiana Rural Health Transformation Fund**

**Sec. 1. (a) The Indiana rural health transformation fund is established as a dedicated fund for the purpose of implementing the Indiana rural health transformation program authorized by federal law under Section 71401 of Public Law 119-21 (42 U.S.C. 1397ee), and based on Indiana's federally approved application. The fund shall be administered by the office of the secretary.**

**(b) Money in the fund is continuously appropriated. The fund consists of federal funds received from the federal government under Section 71401 of Public Law 119-21.**



(c) The expenses of administering the fund shall be paid from money in the fund to the extent allowable by federal law under Section 71401 of Public Law 119-21.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

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

(f) The secretary may make recommendations concerning expenditures from the fund to the budget committee, and allotments and expenditures from the fund are subject to budget committee review before the allotment and expenditure may occur.

(g) This section expires December 31, 2032.

**Sec. 2. (a) Before June 1 and December 1 of each year, the office of the secretary shall submit a written report for review to the budget committee concerning the following:**

- (1) An itemization of each of the expenditures of money from the fund since the last report to the budget committee.
- (2) The aggregate amount of expenditures of money from the fund since the last report to the budget committee.
- (3) Anticipated expenditures for the subsequent six (6) months.
- (4) Whether the office of the secretary is meeting the benchmarks set forth in the state federally approved application for the federal funds.
- (5) Whether the office of the secretary believes the state is meeting the federally approved application requirements necessary to continue to receive federal funds for operation of the Indiana rural health transformation program.

(b) This section expires December 31, 2033."

Page 3, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 7. IC 12-14-30-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 10. (a) As used in this section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. The term does not include any preparation requiring refrigeration.**

(b) As used in this section, "soft drink" means nonalcoholic beverages that contain natural or artificial sweeteners. The term does not include beverages that contain milk or milk products, soy,



rice, or similar milk substitutes, or are exclusively naturally sweetened using natural vegetable or fruit juice.

**(c) A SNAP recipient may not use SNAP benefits to purchase candy or soft drinks.**

**(d) If the office of the secretary determines that a waiver or authorization by a federal agency is needed to implement this section, the office of the secretary shall request the necessary waiver or authorization."**

Page 22, between lines 7 and 8, begin a new paragraph and insert:  
 "SECTION 29. P.L.213-2025, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: SECTION 25. Except as provided for under IC 4-12-18 **and IC 12-8-15**, the governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

SECTION 30. P.L.213-2025, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: SECTION 26. Except as provided for under IC 4-12-18 **and IC 12-8-15**, federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d)."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 1 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 9, Nays 3.

ES 1—LS 6602/DI 104



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 1, 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, delete lines 30 through 42.

Page 3, delete lines 1 through 4, begin a new paragraph and insert:

**"Sec. 2. (a) Beginning December 1, 2026, the office of the secretary shall before June 1 and December 1 of each year submit a written report for review to the budget committee concerning the following:**

- (1) An itemization of each of the expenditures of money from the fund since the last report to the budget committee.**
- (2) The aggregate amount of expenditures of money from the fund since the last report to the budget committee.**
- (3) Anticipated expenditures for the subsequent six (6) months.**
- (4) Whether the office of the secretary is meeting the benchmarks set forth in the state federally approved application for the federal funds.**
- (5) Whether the office of the secretary believes the state is meeting the federally approved application requirements necessary to continue to receive federal funds for operation of the Indiana rural health transformation program.**

**(b) On June 1, 2026, the office of the secretary shall submit a written report to the budget committee concerning the following:**

- (1) An itemization of each of the expenditures of money from the fund since the last report to the budget committee.**
- (2) The aggregate amount of expenditures of money from the fund since the last report to the budget committee.**
- (3) Anticipated expenditures for the subsequent six (6) months.**
- (4) Whether the office of the secretary is meeting the benchmarks set forth in the state federally approved application for the federal funds.**
- (5) Whether the office of the secretary believes the state is meeting the federally approved application requirements necessary to continue to receive federal funds for operation of the Indiana rural health transformation program.**

**(c) This section expires December 31, 2033."**

Page 4, line 23, after "using" insert "the Social Security Administration database or".



Page 4, line 31, delete "Customs" and insert "**Citizenship**".

Page 4, line 31, delete "Service" and insert "**Services**".

Page 7, line 35, delete "to" and insert "**as prescribed by**".

Page 7, line 36, delete "required by 42 U.S.C. 1396a(uu)".

Page 18, line 7, strike "thirty (30) days" and insert "**one (1) month**".

and when so amended that said bill do pass.

(Reference is to SB 1 as printed January 16, 2026.)

THOMPSON

Committee Vote: yeas 13, nays 9.

