
SENATE BILL No. 1

AM000115 has been incorporated into January 16, 2026 printing.

Synopsis: Human services matters.

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SB 1—LS 6602/DI 104



January 16, 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.

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SENATE BILL No. 1

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
13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: **Sec. 24.3. "Candy", for purposes of**
15 **IC 12-14-30-10, has 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

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[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) 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.

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- 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**
- 4 **of 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**
- 19 **of 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 resourcees 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 resourcees; including both revocable and
- 35 irrevocable resourcees, 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 resourcees that are
- 39 higher than the standards specified in 7 U.S.C. 2014(g)(1)
- 40 other than the financial resourcees described in 7 U.S.C.
- 41 2014(g)(2)(D); and

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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
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2026]: **Sec. 9. (a) An individual is not eligible**
 18 **to receive SNAP benefits unless the individual is a resident of the**
 19 **United States who 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**
 23 **in 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 Systematic Alien Verification for**
 41 **Entitlements (SAVE) online service.**

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

- 5 (1) A certified birth certificate.
 6 (2) United States passport.
 7 (3) United States Customs and Immigration Service
 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
 12 of 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
 19 of 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.

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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

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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
16 based upon a modified adjusted gross income standard
17 under 42 CFR 435.603, including adults eligible under 42
18 U.S.C. 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.

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- 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 to the United States Department of**
 13 **Health and Human Services required by 42 U.S.C. 1396a(uu) to**
 14 **prevent Medicaid 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**
 23 **individuals 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**
 32 **the secretary shall count any income of a household member who**
 33 **is ineligible due to the household member's immigration status**
 34 **when calculating and determining an individual's financial**
 35 **eligibility for Medicaid.**

36 **(c) The office of the secretary shall apply for any Medicaid**
 37 **state 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.**

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- 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**
- 7 **Act of 1980; or**
- 8 (3) **lawfully resides in the United States in accordance with**
- 9 **a 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**
- 33 **United States citizen or lacks satisfactory immigration**
- 34 **status and has entered the United States without**
- 35 **inspection or admission, or has remained beyond the**
- 36 **expiration of an authorized period of stay;**
- 37 **promptly refer the applicant, recipient, or household**
- 38 **member of an applicant or recipient to the United States**
- 39 **Department of Homeland Security or any other appropriate**
- 40 **federal 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

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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
18 P.L.126-2025, SECTION 9, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2026]: **Sec. 3. (a) The healthy Indiana plan is**
20 **established. The secretary shall oversee the plan and has the**
21 **authority to set policy 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**
31 **week, 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**
40 **a ~~workfare program,~~ as determined by the office. the TANF**
41 **program or SNAP.**

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- 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
- 5 minimum wage requirement under 29 U.S.C. 206,
- 6 multiplied by 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
- 9 wage requirements under 29 U.S.C. 206, multiplied by
- 10 eighty (80) hours and is a seasonal worker as defined
- 11 under 26 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**
- 17 **440.315(f)).**
- 18 (9) Is:
- 19 (A) pregnant;
- 20 (B) **entitled to postpartum medical assistance under 42**
- 21 **U.S.C. 1396a(e)(5) or 42 U.S.C. 1396a(e)(16); or is**
- 22 (C) a parent, **guardian**, or caretaker ~~relative~~ responsible for
- 23 the care of a dependent child less than ~~six (6)~~ **fourteen (14)**
- 24 years of age.
- 25 (10) Is a ~~parent, spouse, or caretaker~~ **family caregiver under**
- 26 **Section 2 of the RAISE Family Caregivers Act** personally
- 27 providing the care for an individual with a serious medical
- 28 condition or a disability.
- 29 (11) Is an individual who ~~has been released from incarceration~~
- 30 ~~for less than ninety (90) days. is an inmate of a public~~
- 31 **institution.**
- 32 (12) Is an Indiana resident enrolled in and attending an
- 33 accredited educational program ~~full~~ **at least half time.**
- 34 (13) **Is, as set forth in the Indian Health Care Improvement**
- 35 **Act:**
- 36 (A) **an Indian;**
- 37 (B) **an urban Indian; or**
- 38 (C) **a California Indian;**
- 39 **or has otherwise been determined eligible as an Indian by the**
- 40 **federal Indian Health Service.**
- 41 (14) **Is eligible for medical assistance under 42 U.S.C.**
- 42 **1396a(a)(10)(A)(i)(IX).**

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1 **(15) Is a veteran with a disability rated as total under 38**
2 **U.S.C. 1155.**

3 An individual must meet the Medicaid residency requirements under
4 IC 12-15-4-4 and this article to be eligible for the plan.

5 (d) The following individuals are not eligible for the plan:

6 (1) An individual who participates in the federal Medicare
7 program (42 U.S.C. 1395 et seq.).

8 (2) An individual who is otherwise eligible and enrolled for
9 medical assistance.

10 (e) The department of insurance and the office of the secretary
11 shall provide oversight of the marketing practices of the plan.

12 (f) The office shall promote the plan and provide information to
13 potential eligible individuals who live in medically underserved rural
14 areas of Indiana.

15 (g) The office shall, to the extent possible, ensure that enrollment
16 in the plan is distributed throughout Indiana in proportion to the
17 number of individuals throughout Indiana who are eligible for
18 participation in the plan.

19 (h) The office shall establish standards for consumer protection,
20 including the following:

21 (1) Quality of care standards.

22 (2) A uniform process for participant grievances and appeals.

23 (3) Standardized reporting concerning provider performance,
24 consumer experience, and cost.

25 (i) A health care provider that provides care to an individual who
26 receives health coverage under the plan shall also participate in the
27 Medicaid program under this article.

28 (j) The following do not apply to the plan:

29 (1) IC 12-15-12.

30 (2) IC 12-15-13.

31 (3) IC 12-15-14.

32 (4) IC 12-15-15.

33 (5) IC 12-15-21.

34 (6) IC 12-15-26.

35 (7) IC 12-15-31.1.

36 (8) IC 12-15-34.

37 (9) IC 12-15-35.

38 (10) IC 16-42-22-10.

39 SECTION 18. IC 12-15-44.5-3.5, AS AMENDED BY
40 P.L.180-2022(ss), SECTION 16, IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) The plan

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1 must include the following in a manner and to the extent determined by
 2 the ~~office~~: **secretary**:

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

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1 services for the age, gender, and preexisting conditions of the
2 individual. The office shall consult with the federal Centers for Disease
3 Control and Prevention for a list of recommended preventative care
4 services.

5 (f) The plan shall, at no cost to the individual, provide payment of
6 preventative care services described in 42 U.S.C. 300gg-13 for an
7 individual who participates in the plan.

8 (g) The plan shall, at no cost to the individual, provide payments
9 of not more than five hundred dollars (\$500) per year for preventative
10 care services not described in subsection (f). Any additional
11 preventative care services covered under the plan and received by the
12 individual during the year are subject to the deductible and payment
13 requirements of the plan.

14 ~~(h) The office shall apply to the United States Department of~~
15 ~~Health and Human Services for any amendment to the waiver~~
16 ~~necessary to implement the providing of the services or supplies~~
17 ~~described in subsection (a)(15). This subsection expires July 1, 2024.~~

18 SECTION 19. IC 12-15-44.5-4, AS AMENDED BY
19 P.L.216-2025, SECTION 12, IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The plan:

- 21 (1) is not an entitlement program;
- 22 (2) serves as an alternative to health care coverage under Title
- 23 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.);
- 24 (3) except as provided in section 4.2(a) of this chapter, must not
- 25 grant eligibility under the state Medicaid plan for medical
- 26 assistance under 42 U.S.C. 1396a; and
- 27 (4) must grant eligibility for the plan through an approved
- 28 demonstration project under 42 U.S.C. 1315.

29 (b) If any of the following occurs, the ~~office~~ **secretary** shall
30 terminate the plan in accordance with section 6(b) of this chapter:

- 31 (1) The:
 - 32 (A) percentages of federal medical assistance available to
 - 33 the plan for coverage of plan participants described in
 - 34 Section 1902(a)(10)(A)(i)(VIII) of the federal Social
 - 35 Security Act are less than the percentages provided for in
 - 36 Section 2001(a)(3)(B) of the federal Patient Protection and
 - 37 Affordable Care Act; and
 - 38 (B) office, after considering the modification and the
 - 39 reduction in available funding, does not alter:
 - 40 (i) the formula established under
 - 41 IC 16-21-10-13.3(b)(1) to cover the amount of the
 - 42 reduction in federal medical assistance; or

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

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1 (f) The office of the secretary shall submit annually to the budget
2 committee an actuarial analysis of the plan that reflects a determination
3 that sufficient funding is reasonably estimated to be available to
4 operate the plan.

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

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

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

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

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

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

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

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

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

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

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

41 SECTION 22. IC 12-15-44.5-4.7, AS AMENDED BY
42 P.L.126-2025, SECTION 12, IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4.7. (a) To participate
2 in the plan, an individual must:

- 3 (1) apply for the plan on a form prescribed by the ~~office;~~
4 **secretary;**
- 5 (2) **comply with the requirements of section 3(c) of this**
6 **chapter for the three (3) consecutive months immediately**
7 **preceding the month the individual applies to the plan; and**
8 (3) **provide documentary evidence of compliance with**
9 **subdivision (2).**

10 **The secretary may not accept self-attestation by the applicant as**
11 **evidence of compliance.** The ~~office~~ **secretary** may develop and allow
12 a joint application for a household.

13 (b) A pregnant woman is not subject to the cost sharing provisions
14 of the plan. Subsections (c) through (g) do not apply to a pregnant
15 woman participating in the plan.

16 (c) An applicant who is approved to participate in the plan does
17 not begin benefits under the plan until a payment of at least:

- 18 (1) one-twelfth (1/12) of the annual income contribution amount;
- 19 or
- 20 (2) ten dollars (\$10);

21 is made to the individual's health care account established under
22 section 4.5 of this chapter for the individual's participation in the plan.
23 To continue to participate in the plan, an individual must contribute to
24 the individual's health care account at least two percent (2%) of the
25 individual's annual household income per year or an amount
26 determined by the secretary that is based on the individual's annual
27 household income per year, but not less than one dollar (\$1) per month.
28 The amount determined by the secretary under this subsection must be
29 approved by the United States Department of Health and Human
30 Services and must be budget neutral to the state as determined by the
31 state budget agency.

32 (d) If an applicant who is approved to participate in the plan fails
33 to make the initial payment into the individual's health care account, at
34 least the following must occur:

- 35 (1) If the individual has an annual income that is at or below one
36 hundred percent (100%) of the federal poverty income level, the
37 individual's benefits are reduced as specified in subsection
38 (e)(1).
- 39 (2) If the individual has an annual income of more than one
40 hundred percent (100%) of the federal poverty income level, the
41 individual is not enrolled in the plan.

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1 (e) If an enrolled individual's required monthly payment to the
2 plan is not made within sixty (60) days after the required payment date,
3 the following, at a minimum, occur:

4 (1) For an individual who has an annual income that is at or
5 below one hundred percent (100%) of the federal income
6 poverty level, the individual is:

7 (A) transferred to a plan that has a material reduction in
8 benefits, including the elimination of benefits for vision and
9 dental services; and

10 (B) required to make copayments for the provision of
11 services that may not be paid from the individual's health
12 care account.

13 (2) For an individual who has an annual income of more than
14 one hundred percent (100%) of the federal poverty income level,
15 the individual shall be terminated from the plan and may not
16 reenroll in the plan for at least six (6) months.

17 (f) The state shall contribute to the individual's health care account
18 the difference between the individual's payment required under this
19 section and the plan deductible set forth in section 4.5(c) of this
20 chapter.

21 (g) A member shall remain enrolled with the same managed care
22 organization during the member's benefit period. A member may
23 change managed care organizations as follows:

24 (1) Without cause:

25 (A) before making a contribution or before finalizing
26 enrollment in accordance with subsection (d)(1); or

27 (B) during the annual plan renewal process.

28 (2) For cause, as determined by the office **under the direction**
29 **of the secretary.**

30 (h) The office may reimburse medical providers at the appropriate
31 Medicaid fee schedule rate for certified medical claims incurred prior
32 to the beginning of benefits under subsection (c) provided that the
33 claims:

34 (1) were incurred not more than thirty (30) days prior to the
35 individual's application; and

36 (2) are on behalf of an individual who:

37 (A) is approved to participate in the plan;

38 (B) is enrolled in the plan subject to the provisions in
39 subsection (d); and

40 (C) was eligible for the plan at the time care and services
41 were furnished.

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1 **(i) An enrolled individual in the plan must be in compliance**
 2 **with section 3(c) of this chapter in each month in order to remain**
 3 **enrolled in the plan.**

4 SECTION 23. IC 12-15-44.5-4.9, AS AMENDED BY
 5 P.L.114-2018, SECTION 6, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2027]: Sec. 4.9. (a) An individual who is
 7 approved to participate in the plan is eligible for a ~~twelve (12) month~~
 8 ~~plan period~~ if the individual continues to meet the plan requirements
 9 specified in this chapter.

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

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

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

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

33 (2) received all of the required preventative care services;
 34 the ~~office~~ **secretary** may elect to offer a discount on the individual's
 35 required payments to the individual's health care account for the
 36 subsequent benefit year. The amount of the discount under this
 37 subsection must be related to the percentage of the health care account
 38 balance at the end of the plan year but not to exceed a fifty percent
 39 (50%) discount of the required contribution.

40 (e) If an individual is no longer eligible for the plan, does not
 41 renew participation in the plan at the end of the plan period, or is
 42 terminated from the plan for nonpayment of a required payment, the

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1 office shall, not more than one hundred twenty (120) days after the last
2 date of the plan benefit period, refund to the individual the amount
3 determined under subsection (f) of any funds remaining in the
4 individual's health care account as follows:

5 (1) An individual who is no longer eligible for the plan or does
6 not renew participation in the plan at the end of the plan period
7 shall receive the amount determined under STEP FOUR of
8 subsection (f).

9 (2) An individual who is terminated from the plan due to
10 nonpayment of a required payment shall receive the amount
11 determined under STEP SIX of subsection (f).

12 The office may charge a penalty for any voluntary withdrawals from the
13 health care account by the individual before the end of the plan benefit
14 year. The individual may receive the amount determined under STEP
15 SIX of subsection (f).

16 (f) The office, **under the direction of the secretary**, shall
17 determine the amount payable to an individual described in subsection
18 (e) as follows:

19 STEP ONE: Determine the total amount paid into the
20 individual's health care account under this chapter.

21 STEP TWO: Determine the total amount paid into the
22 individual's health care account from all sources.

23 STEP THREE: Divide STEP ONE by STEP TWO.

24 STEP FOUR: Multiply the ratio determined in STEP THREE by
25 the total amount remaining in the individual's health care
26 account.

27 STEP FIVE: Subtract any nonpayments of a required payment.

28 STEP SIX: Multiply the amount determined under STEP FIVE
29 by at least seventy-five hundredths (0.75).

30 **(g) The office of the secretary shall conduct an eligibility**
31 **redetermination for each plan participant at least one (1) time**
32 **every six (6) months.**

33 SECTION 24. IC 12-15-44.5-5, AS AMENDED BY
34 P.L.201-2023, SECTION 136, IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A managed
36 care organization that contracts with the office to provide health
37 coverage, dental coverage, or vision coverage to an individual who
38 participates in the plan:

39 (1) is responsible for the claim processing for the coverage;

40 (2) shall reimburse providers at a rate that is not less than the
41 rate established by the secretary; and

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1 (3) may not deny coverage to an eligible individual who has been
2 approved by the office to participate in the plan.

3 (b) A managed care organization that contracts with the office to
4 provide health coverage under the plan must incorporate cultural
5 competency standards established by the ~~office~~ **secretary**. The
6 standards must include standards for non-English speaking, minority,
7 and disabled populations.

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

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

14 to a workforce training and job search program.

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

- 24 (1) eight dollars (\$8) **for an individual who has an income of**
25 **one hundred percent (100%) or less of the federal poverty**
26 **level; or**
- 27 (2) **thirty-five dollars (\$35) for an individual who has an**
28 **income of more than one hundred percent (100%) of the**
29 **federal poverty level;**

30 for the nonemergency use of a hospital emergency department.

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

- 39 (1) place an individual's health in serious jeopardy;
- 40 (2) result in serious impairment to the individual's bodily
41 functions; or

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1 (3) result in serious dysfunction of a bodily organ or part of the
2 individual.

3 **(c) In addition to the copayments described in subsection (a),**
4 **the office of the secretary shall require a plan participant who has**
5 **an income above one hundred percent (100%) of the federal**
6 **poverty level to pay additional cost sharing requirements**
7 **established by the office of the secretary in the amount of at least**
8 **one dollar (\$1) and not more than thirty-five dollars (\$35).**

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

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

21 (b) If the plan is to be terminated for any reason, the ~~office~~
22 **secretary** shall, if required, provide notice of termination of the plan
23 to the United States Department of Health and Human Services and
24 begin the process of phasing out the plan.

25 (c) Before submitting:

- 26 (1) an extension of; or
27 (2) a material amendment to;

28 the plan to the United States Department of Health and Human
29 Services, the ~~office~~ **secretary** shall inform the Indiana Hospital
30 Association of the extension or material amendment to the plan.

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

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

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

- 39 (A) administrative costs of; and
40 (B) any profit made by;

41 a managed care organization under a contract with the office to
42 provide health coverage under the plan. The amount determined

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1 under this subdivision may not exceed thirteen percent (13%) of
2 the funds.

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

- 7 (1) this chapter; or
- 8 (2) a Section 1115 Medicaid demonstration waiver concerning
- 9 the plan that is approved by the United States Department of
- 10 Health and Human Services.

11 SECTION 30. IC 12-15-44.5-10, AS AMENDED BY
12 P.L.126-2025, SECTION 13, IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 10. (a) The
14 secretary has the authority to provide benefits to individuals eligible
15 under the adult group described in 42 CFR 435.119 only in accordance
16 with this chapter.

17 (b) The secretary shall limit enrollment in the plan to the number
18 of individuals that ensures that financial participation does not exceed
19 the level of state appropriations or other funding for the plan.

20 (c) The secretary may negotiate and make changes to the plan,
21 except that the secretary may not negotiate or change the plan in a way
22 that would do the following:

- 23 (1) Reduce the following:
 - 24 (A) Contribution amounts below the minimum levels set
 - 25 forth in section 4.7 of this chapter.
 - 26 (B) Deductible amounts below the minimum amount
 - 27 established in section 4.5(c) of this chapter.
 - 28 (C) The number of hours required to satisfy the work
 - 29 requirements specified in section 3(c)(1) of this chapter
 - 30 unless expressly required by federal law.
- 31 (2) Remove or reduce the penalties for nonpayment set forth in
- 32 section 4.7 of this chapter.
- 33 (3) Revise the use of the health care account requirement set
- 34 forth in section 4.5 of this chapter.
- 35 (4) Include noncommercial benefits or add additional plan
- 36 benefits in a manner inconsistent with section 3.5 of this chapter.
- 37 (5) Allow services to begin:
 - 38 (A) without the payment established or required by; or
 - 39 (B) earlier than the time frames otherwise established by;
 - 40 section 4.7 of this chapter.

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- 1 (6) Reduce financial penalties for the inappropriate use of the
- 2 emergency room below the minimum levels set forth in section
- 3 5.7 of this chapter.
- 4 (7) Permit members to change health plans without cause in a
- 5 manner inconsistent with section 4.7(g) of this chapter.
- 6 (8) Operate the plan in a manner that would obligate the state to
- 7 financial participation beyond the level of state appropriations or
- 8 funding otherwise authorized for the plan.
- 9 (d) The secretary may make changes to the plan under this chapter
- 10 if the changes are required by federal law or regulation and the office
- 11 provides a written report of the changes to the state budget committee.
- 12 (e) **The secretary shall verify an individual's compliance with**
- 13 **the requirements of section 3(c) of this chapter on an ongoing, and**
- 14 **at least quarterly, basis. The secretary may not accept any of the**
- 15 **following methods as being sufficient to verify compliance:**
- 16 (1) **A plan participant's self-attestation of compliance.**
- 17 (2) **Designations, approvals, or determinations of compliance**
- 18 **by a managed care organization.**
- 19 (f) **The secretary may accept a medically frail status set forth**
- 20 **in section 3(c)(8) of this chapter only if the individual has been**
- 21 **medically certified as medically frail (as defined in 42 CFR**
- 22 **440.315(f)) by any of the following:**
- 23 (1) **A physician.**
- 24 (2) **A physician's assistant.**
- 25 (3) **An advanced practice registered nurse.**
- 26 (4) **A nurse.**
- 27 (5) **A designated representative of a physician's office, on**
- 28 **behalf of an individual described in subdivisions (1) through**
- 29 **(4).**
- 30 (6) **A psychologist.**
- 31 (7) **A social worker.**
- 32 (g) **The secretary may not do any of the following:**
- 33 (1) **Expand the definition of medically frail for purposes of**
- 34 **this chapter beyond the definition set forth in 42 CFR**
- 35 **440.315(f).**
- 36 (2) **Request the implementation of any additional exemptions**
- 37 **other than the exemptions set forth in section 3 of this**
- 38 **chapter.**
- 39 SECTION 31. P.L.213-2025, SECTION 25, IS AMENDED TO
- 40 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026
- 41 (RETROACTIVE)]: SECTION 25. Except as provided for under
- 42 IC 4-12-18 and IC 12-8-15, the governor of the state of Indiana is

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1 solely authorized to accept on behalf of the state any and all federal
 2 funds available to the state of Indiana. Federal funds received under
 3 this SECTION are appropriated for purposes specified by the federal
 4 government, subject to allotment by the budget agency. The provisions
 5 of this SECTION and all other SECTIONS concerning the acceptance,
 6 disbursement, review, and approval of any grant, loan, or gift made by
 7 the federal government or any other source to the state or its agencies
 8 and political subdivisions shall apply, notwithstanding any other law.
 9 SECTION 32. P.L.213-2025, SECTION 26, IS AMENDED TO
 10 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026
 11 (RETROACTIVE)]: SECTION 26. Except as provided for under
 12 IC 4-12-18 **and IC 12-8-15**, federal funds received as revenue by a
 13 state agency or department are not available to the agency or
 14 department for expenditure until allotment has been made by the
 15 budget agency under IC 4-12-1-12(d).
 16 SECTION 33. **An emergency is declared for this act.**

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