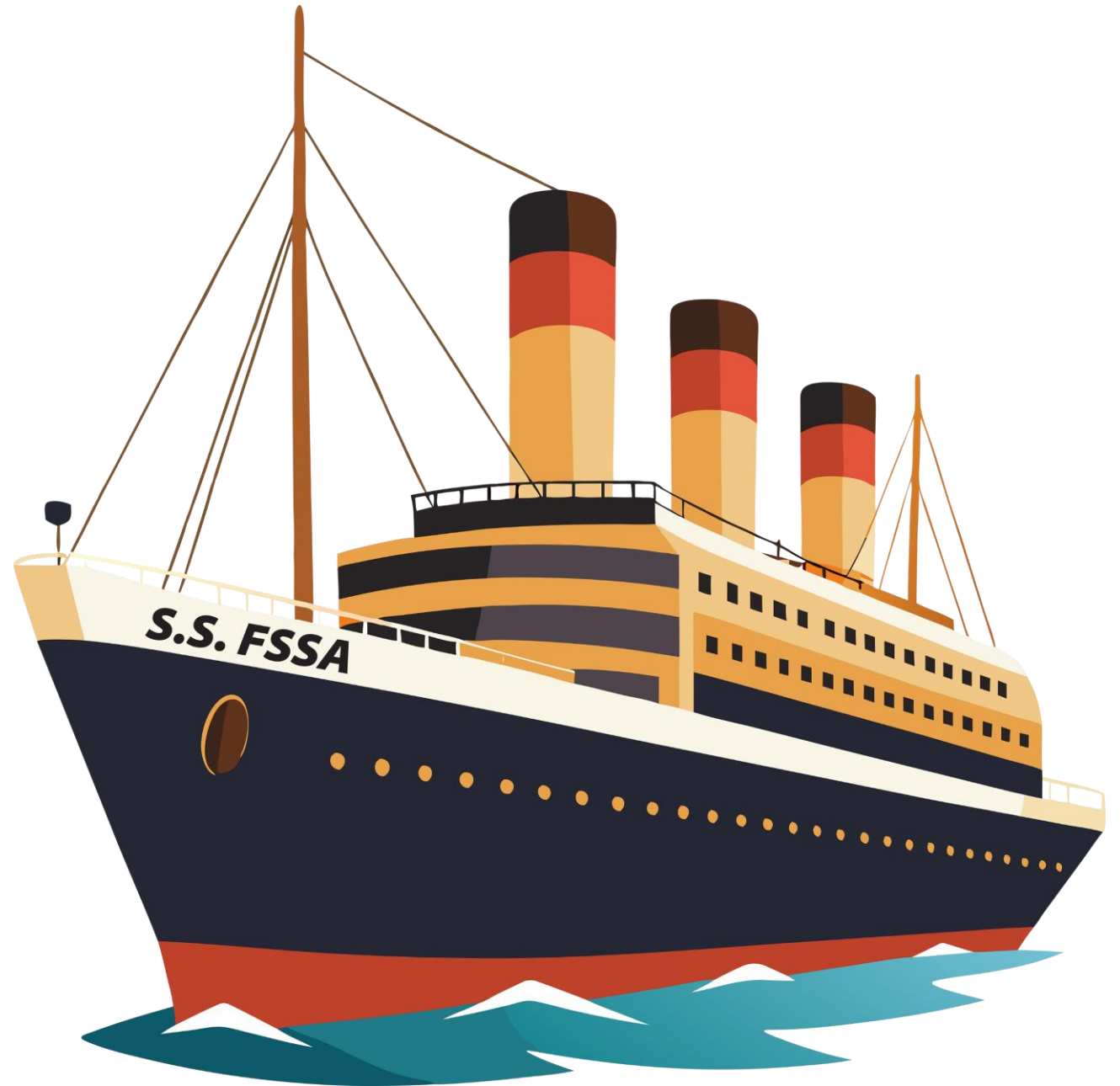


S . S . F S S A



Secretary Mitch Roob

HIP 3.0

*"Indiana needs a HIP replacement" –
Sandy Roob*



Work Requirements

Effective 7/1/26

Eligibility criteria
and mandatory
participation in
workforce development
programs



Revised Benefit
Package Design

Incentives for healthy
behaviors like regular
check-ups and
preventive care



Member Engagement
and "Skin in the
Game"

Increased personal
responsibility through
cost-sharing and
wellness initiatives



Cost-Sharing
Requirements

Deductibles, copays,
and other out-of-pocket
expenses to encourage
prudent utilization

The future of HIP 3.0 depends on the federal response to the last buffalo hunt.

Rural Health

- OBBB:
 - \$50 billion rural health transformation program
 - Indiana is likely to receive around \$200 million/year for 5 years (FFY 26-30)
 - Working group to create Indiana's application for the Rural Health Transformation Program
 - Funds can be used for:
 - Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models.
 - Recruiting and retaining rural clinicians
 - Investing in telehealth, remote monitoring, and AI-driven care
 - Supporting opioid, substance abuse, and mental health treatment
 - Enhancing cybersecurity and IT infrastructure for rural hospitals

Indiana's Healthcare Challenges



High Hospital Prices

Indiana has some of the highest hospital costs in the nation, making healthcare financially burdensome for both patients and providers.



Substandard Health Outcomes

Indiana has one of the worst maternal mortality rates in the country, and high rates of cancer-

To address Indiana's healthcare challenges, a comprehensive approach is needed to lower costs and improve overall health outcomes for the state's residents.

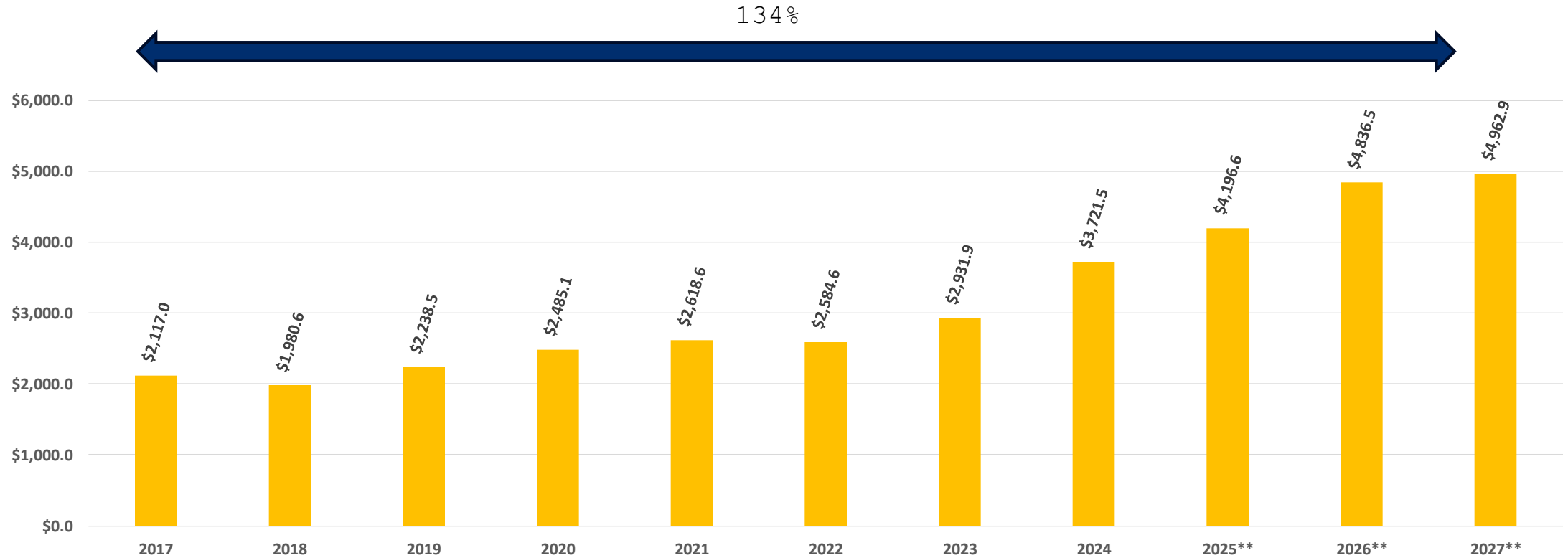
Medicaid Expenses

	HIP		HCC/HHW		FFS/PathWays	
2017	Cost:	\$2.9 billion	Cost:	\$3.1 billion	Cost:	\$4.2 billion
	Enrollment:	404,688	Enrollment:	705,042	Enrollment:	347,597
	\$ Per Enrollee:	\$7,403	\$ Per Enrollee:	\$4,341	\$ Per Enrollee:	\$12,261
2027	Cost:	\$7.5 billion	Cost:	\$4.8 billion	Cost:	\$11.3 billion
	Enrollment:	705,676	Enrollment:	864,142	Enrollment:	534,041
	\$ Per Enrollee:	\$10,599	\$ Per Enrollee:	\$5,528	\$ Per Enrollee:	\$21,077
	PMPM:	\$883.27	PMPM:	\$460.69	PMPM:	\$1,756

10/16/2025



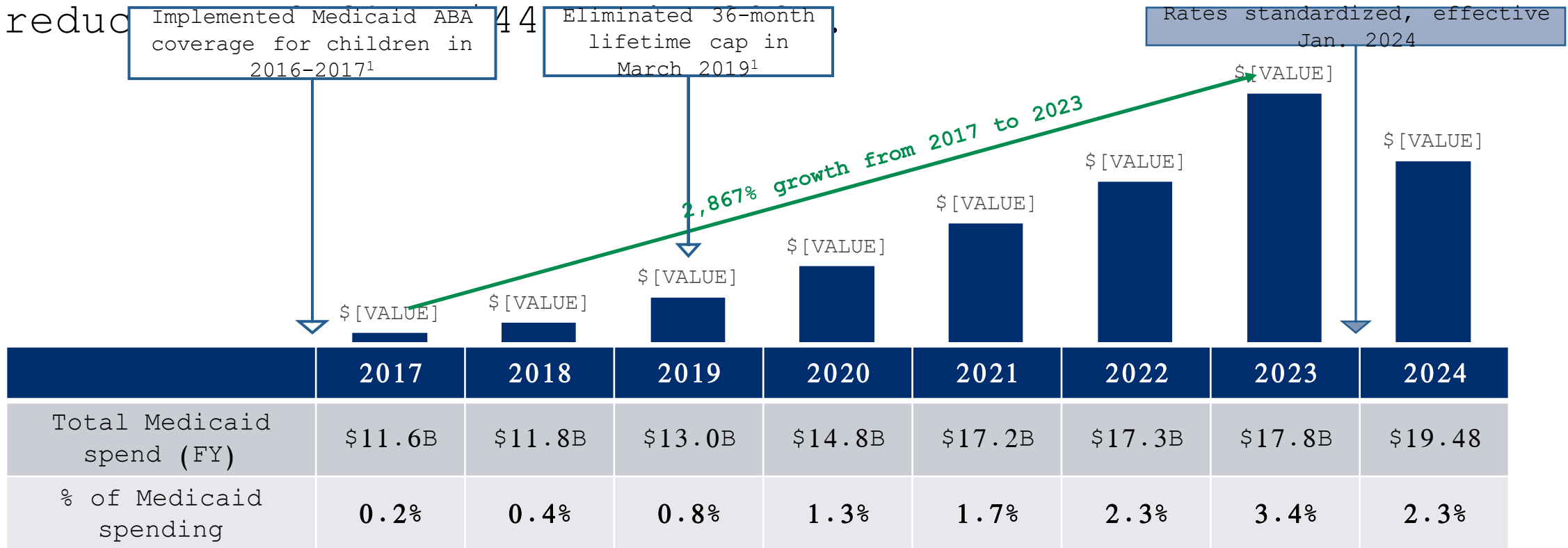
Medicaid Appropriations



**Forecasted amounts based on approved SFY2026/2027 appropriations			
Average appropriation increase 2017 to 2027	9.5%		
Appropriation increase 2017 to 2027	134%		

Growth of ABA Therapy

From 2017 to 2023, spending on ABA increased from ~\$20M to ~\$611M, from 0.2% to 3.4% of the Medicaid budget, but was reduced in 2024.



97153, 97154, 97155, 97156, 97157, 97158, 0362T, 0373T, 96150, 96151, 96152, 96153, 96154, 96155; methodology likely accounts for the difference from numbers according to ABA expenditure report.
 1. Unlikely to have had an impact due to early elimination.

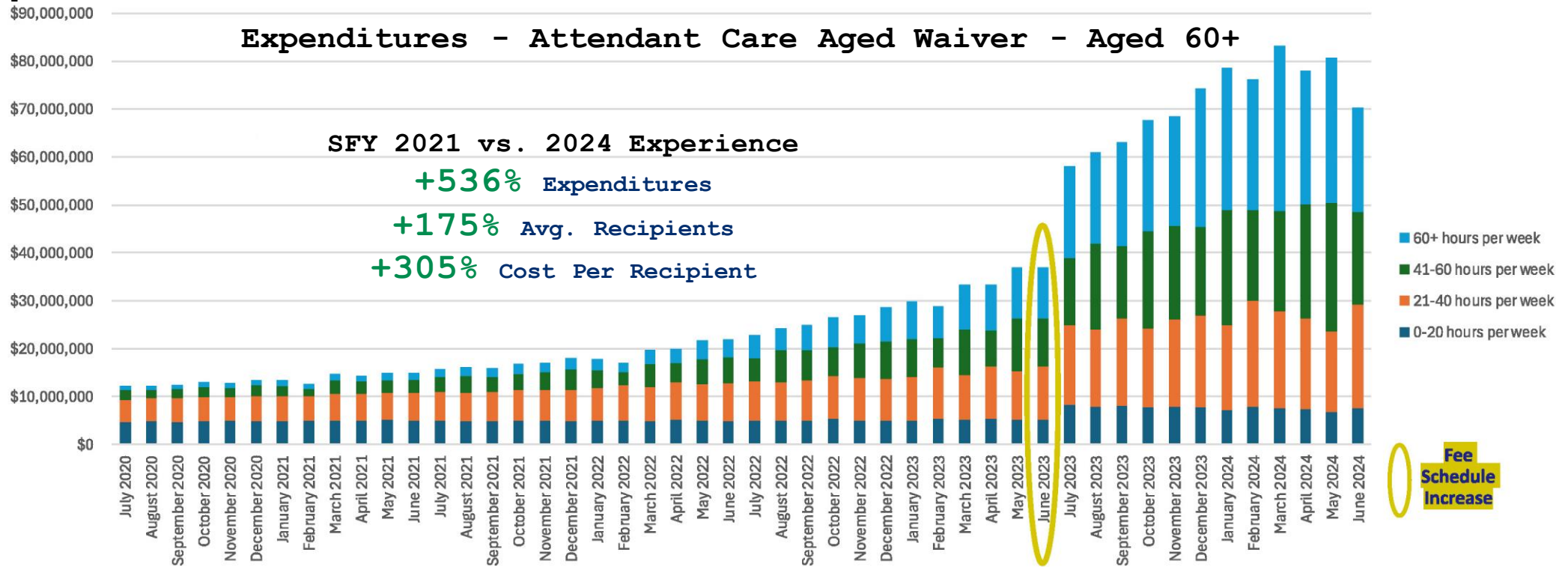
Source: Medicaid and CHIP Expenditures by Service: IN FSSA Medicaid Financial Reports: MAC Medicaid and CHIP Data: FSSA Executive Expenditure Report on ABA; IN Medicaid Claims Data from the Enterprise Data Warehouse on 04/18.



Pathways Attendant Care Acceleration

	Expenditures	Average Recipients	Cost Per Recipient
SFY 2021	\$160,508,347	8,066	\$1,658
SFY 2022	\$217,003,063	9,053	\$1,998
SFY 2023	\$353,045,740	11,182	\$2,631
SFY 2024	\$859,567,546	14,152	\$5,061

r

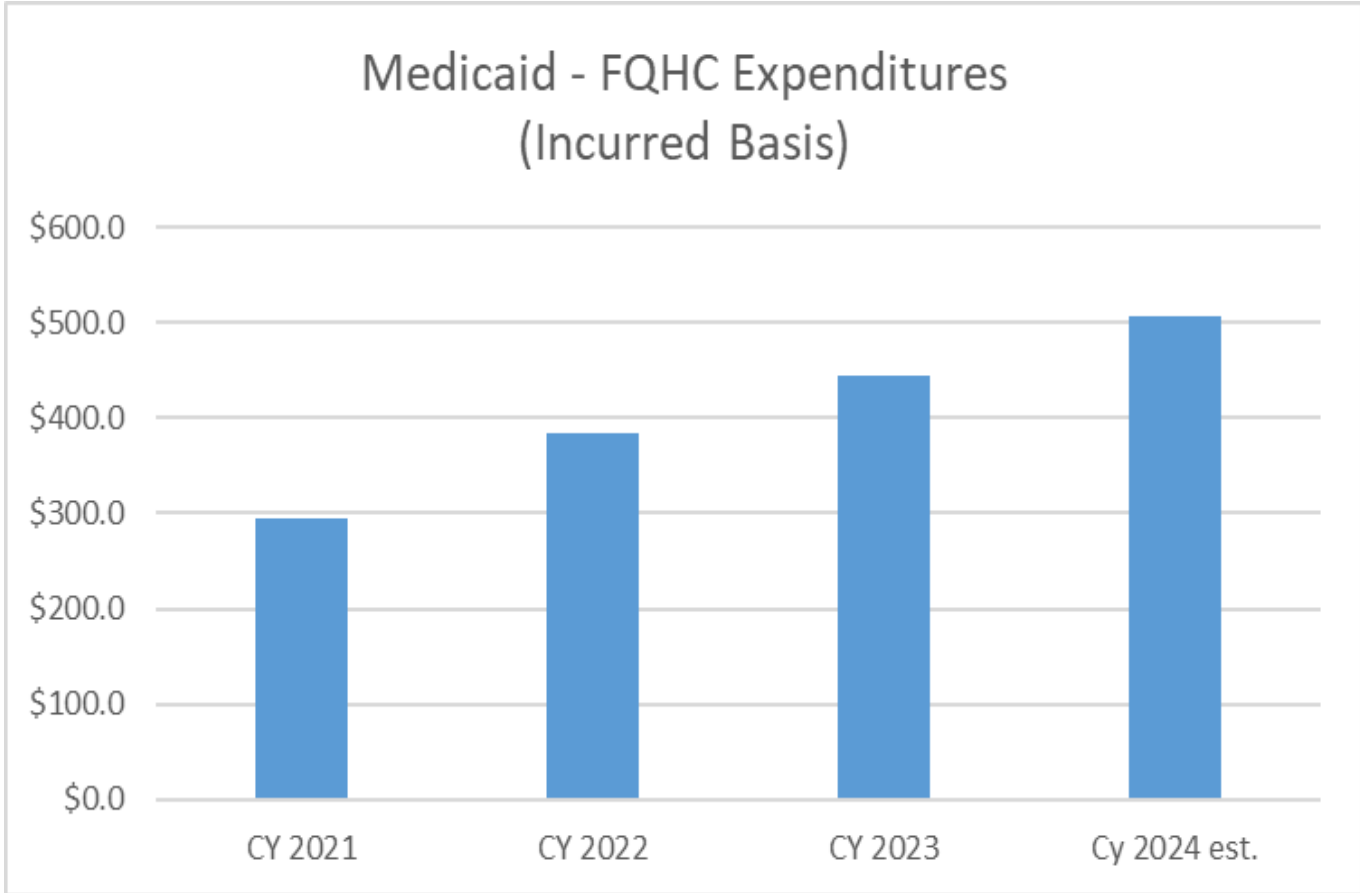


10/16/202

5



Medicaid FQHC/RHC Expenditure Growth



- FQHC Expenditures are showing a **72% increase** from 2021 to 2024
- Expenditure increase for that period is driven by 42% utilization increase and 21% average rate increase
- Annual rate indexing would result in 11% average rate increase, **additional 10% is due to FQHC Changes in Scope** (primarily addition of new locations)



Very few of our programs have any quality metrics



“One of the great mistakes is to judge policies and programs by their intentions rather than their results.”

— Nobel Prize-Winning Economist Milton Friedman

The Last Buffalo Hunt



One-time Federal Funding Opportunity

The Governor of Indiana and Secretary of FSSA will travel to Washington, DC to secure a significant amount of federal money for Medicaid, but this chance will not come again. Subsequent Administrations May Struggle



Future Governors will not be able to replicate this successful federal funding acquisition, making it crucial to maximize the current opportunity. Ensuring Medicaid Sustainability



With this one-time federal funding, Indiana must focus on making Medicaid a sustainable program in the long run, rather than relying on temporary solutions.

By capitalizing on the current one-time federal funding opportunity and implementing long-term strategies, Indiana can secure the future of its Medicaid program and ensure its viability for years to come.



After the Buffalo Run North mont 1879 - © LaHuffman PatPhoto

April 2027

Medicaid Assistance Forecast

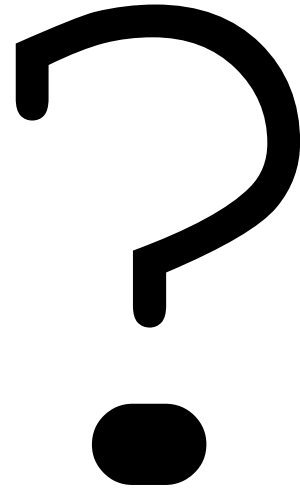
Data through January 2027

Note: Forecasted amounts do not reflect future federal and state

EXPENDITURES, in \$millions	FY 2023	Growth	FY 2024	Growth	FY 2025	Growth	FY 2026	Growth	FY 2027	Growth	FY 2028	Growth	FY 2029
Healthy Indiana Plan	\$6,310.7	(6.8%)	\$5,882.3	0.0%	\$5,882.7	17.2%	\$6,893.4	8.5%	\$7,479.6	XX.X%	\$XXXX.X	XX.X%	\$XXXX.X
Hoosier Care Connect	1,505.0	14.7%	1,725.6	(11.2%)	1,532.0	(8.3%)	1,404.7	20.1%	1,687.6	XX.X%	XXXX.X	XX.X%	XXXX.X
Hoosier Healthwise	2,206.1	24.6%	2,749.5	8.1%	2,972.7	(2.8%)	2,890.7	6.9%	3,089.6	XX.X%	XXXX.X	XX.X%	XXXX.X
Pathways (MLTSS)					4,146.2	17.4%	4,866.1	5.0%	5,110.5	XX.X%	XXXX.X	XX.X%	XXXX.X
Fee for Service - non-LTSS	2,200.3	13.9%	2,505.6	(11.1%)	2,228.7	11.9%	2,494.0	11.4%	2,779.2	XX.X%	XXXX.X	XX.X%	XXXX.X
Fee for Service LTSS - Institutional	2,413.5	8.8%	2,625.9	(63.7%)	952.4	(17.6%)	785.2	4.1%	817.5	XX.X%	XXXX.X	XX.X%	XXXX.X
Fee for Service LTSS - Community	2,146.6	66.4%	3,572.8	(34.4%)	2,343.7	0.9%	2,364.0	1.7%	2,403.8	XX.X%	XXXX.X	XX.X%	XXXX.X
Medicare Buy-In, Clawback	774.3	3.4%	800.9	4.8%	839.7	7.7%	904.5	4.7%	947.0	XX.X%	XXXX.X	XX.X%	XXXX.X
Rebates and Collections	(1,396.1)	2.9%	(1,436.2)	23.2%	(1,768.8)	(7.0%)	(1,645.2)	6.2%	(1,746.5)	XX.X%	XXXX.X	XX.X%	XXXX.X
Remove CHIP and MFP	(320.7)	31.2%	(420.7)	3.2%	(434.2)	1.1%	(438.8)	7.8%	(472.9)	XX.X%	XXXX.X	XX.X%	XXXX.X
Other Expenditures (DSH, UPL, etc.)	2,060.0	(32.6%)	1,387.6	27.2%	1,764.7	(18.9%)	1,430.4	35.5%	1,937.8	XX.X%	XXXX.X	XX.X%	XXXX.X
Medicaid Expenditures (State and Federal)	\$17,899.8	8.3%	\$19,393.3	5.5%	\$20,460.0	7.3%	\$21,949.0	9.5%	\$24,033.3	XX.X%	\$XXXX.X	XX.X%	\$XXXX.X
FUNDING, in \$millions	FY 2023	Growth	FY 2024	Growth	FY 2025	Growth	FY 2026	Growth	FY 2027	Growth	FY 2028	Growth	FY 2029
Federal Funds	\$13,416.5	0.6%	\$13,497.9	3.7%	\$13,999.6	8.1%	\$15,130.2	9.7%	\$16,602.9	XX.X%	\$XXXX.X	XX.X%	\$XXXX.X
IGTs	422.6	2.5%	433.1	4.0%	450.3	21.8%	548.5	5.8%	580.1	XX.X%	XXXX.X	XX.X%	XXXX.X
Provider Tax Receipts	181.7	(8.4%)	166.5	52.4%	253.7	(25.6%)	188.8	3.3%	195.1	XX.X%	XXXX.X	XX.X%	XXXX.X
HAF Funding	676.6	7.9%	729.8	24.0%	904.7	(20.7%)	717.7	21.3%	870.8	XX.X%	XXXX.X	XX.X%	XXXX.X
HIP Funding	566.1	(13.3%)	490.9	(2.9%)	476.7	19.8%	570.9	8.3%	618.3	XX.X%	XXXX.X	XX.X%	XXXX.X
QAF Transfer to SBA	(41.8)	(2.0%)	(40.9)	3.0%	(42.2)	3.0%	(43.4)	3.0%	(44.7)	XX.X%	XXXX.X	XX.X%	XXXX.X
Non-Medicaid Assistance Funds	\$15,221.7	0.4%	\$15,277.2	5.0%	\$16,042.8	6.7%	\$17,112.5	10.0%	\$18,822.5	XX.X%	\$XXXX.X	XX.X%	\$XXXX.X
Forecasted Medicaid GF Assistance Need	\$2,678.1	53.7%	\$4,116.1	7.3%	\$4,417.2	9.5%	\$4,836.5	7.7%	\$5,210.8	2.0%	\$5,315.0	2.0%	\$5,421.3
General Fund Medicaid Assistance Appropriation	\$2,931.9	26.9%	\$3,721.5	12.8%	\$4,196.6		\$4,836.5		\$4,962.9	2.0%	\$5,062.2	2.0%	\$5,163.4
Sub-total (Shortfall)/Surplus	\$253.8		(\$394.6)		(\$220.6)								
Augmentation/(Reversion) amount	(\$525.0)		\$255.2										
Balance After Augmentation/(Reversion)	(\$271.2)		(\$139.4)										



Costs for Mental Health Services



HIP SUD vs Commercial SUD

PMPM
Commercial
\$3.80

PMPM HIP
\$38.00



Individuals Served

Through federal block grants and the CCBHC program, the following individuals¹ were served:

Population	July 2025	August 2025 ²	Total SFY26
Adult	45,753	33,840	79,593
Youth	25,354	18,914	44,268
Total	71,107	52,754	123,861

1. Data includes individuals continuing care as well as new episodes of care.

2. Data for August 2025 is not complete.

Substance Abuse Treatment (SAT) Expenditures Summary

Expenditures

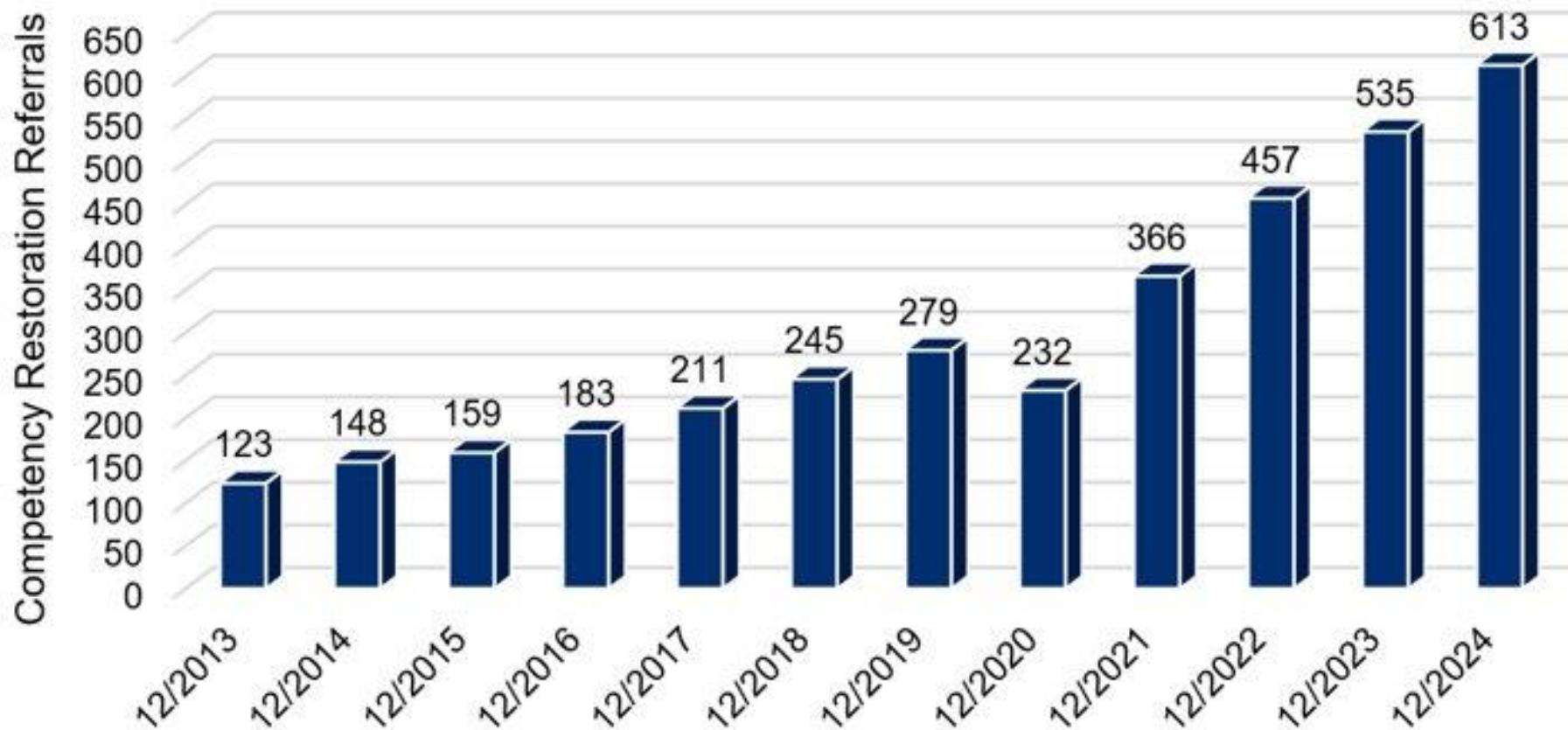
	Current Month Expenditures August 2025	Year To Date Expenditures August 2025		Variance	SFY 2026 Total Expenditures		Variance
		Actual	Budget		Forecast	Budget	
.1 Personal Services	\$ 91,448	\$ 279,411	\$ 444,071	\$ 164,660	\$ 1,452,938	\$ 2,309,169	\$ 856,231
.2 Utilities Expenses	-	-	-	-	-	-	-
.3 External Services Expense	3,043,163	8,806,115	8,616,222	(189,894)	52,836,691	51,697,329	(1,139,362)
.4 Supplies Materials Parts	2,047	2,185	20,000	17,815	13,110	120,000	106,890
.5 Capital	-	-	-	-	-	-	-
.7 Grant Expense	-	-	-	-	-	-	-
.8 Social Service Payments ¹	531,440	1,173,544	1,116,667	(56,878)	7,041,266	6,700,000	(341,266)
.9 Administrative Expense	306,727	598,812	517,344	(81,468)	787,532	850,000	62,468
ID Bills	2,769	5,878	8,333	2,456	35,266	50,000	14,734
Total Expenditures	\$ 3,977,595	\$ 10,865,946	\$ 10,722,637	\$ (143,309)	\$ 62,166,803	\$ 61,726,498	\$ (440,304)

1. Social Service Payments Include: Recovery Support Services-housing and peer support, Treatment-mental health and addiction, Evaluation and Assessment, Residential Treatment, and Jail Services-Treatment and peer support.





ICST Orders per Year in Indiana 2013 - 2024



2025 YTD: 522 // Projection: 708

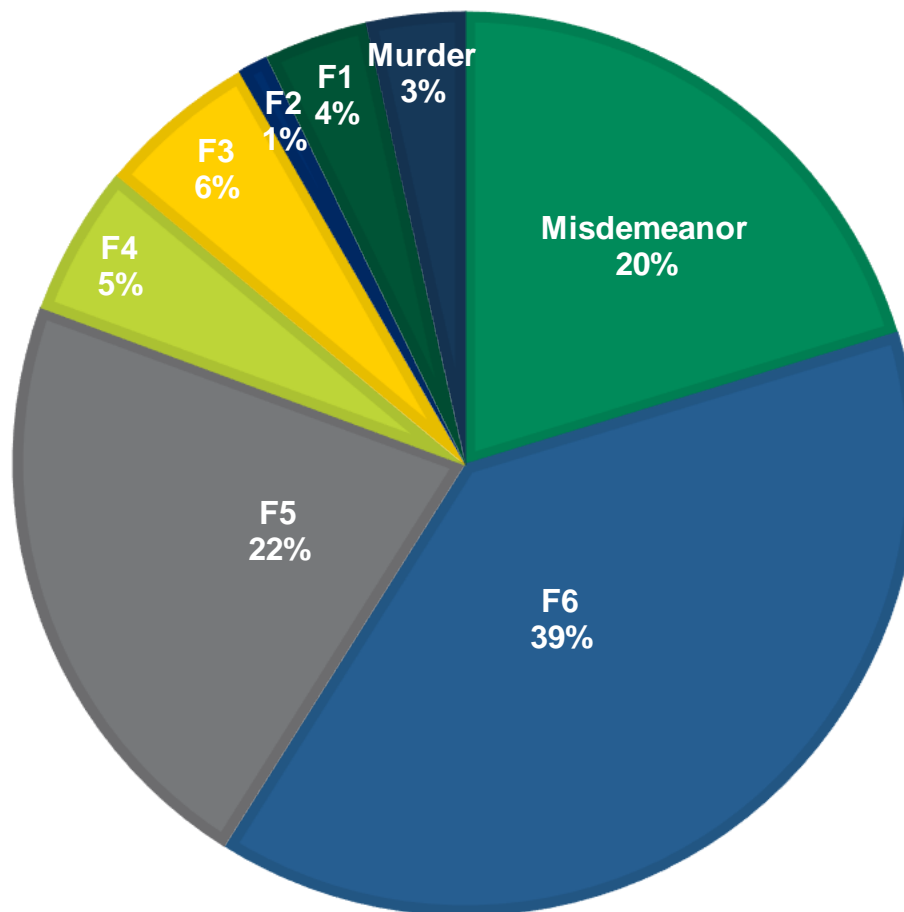
Admitted SFY 2025

Patients			Avg. Length of Stay	Cost
CREATE	Hendricks	104	96	\$11,311,872.00
	ICFR South Bend			
	Valle Vista	70	68	\$5,393,080.00
	Wellstone	42	83	\$3,949,638.00
JBR	Tippecanoe County Jail	2	77	\$102,000.00
	Vanderburgh County Jail	7	66	\$102,000.00
SPH	Evansville State Hospital	46	101	\$6,667,010.00
	Logansport State Hospital	191	101	\$27,682,585.00
	Madison State Hospital	29	101	\$4,203,115.00
	NeuroDiagnostic Institute	96	101	\$13,913,760.00
	Richmond State Hospital	90	101	\$13,044,150.00
Total		452		\$65,510,620.00



STATE HOSPITAL ICST POPULATION BY CRIMINAL CHARGE LEVEL

■ Misdemeanor ■ F6 ■ F5 ■ F4 ■ F3 ■ F2 ■ F1 ■ Murder



Competency Restoration Program Metrics



	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	March 2026	April 2026	May 2026	June 2026
Number of Admissions	6	9										
Number of Active Patients	12	25										

Contract Number	Contractor	Contract Period	Total Contract Value	Annual Contact Amount	State Funding	Federal Funding	YTD Expenditures July - June 2026	Current Balance
51067	Valle Vista	02/01/2021 - 09/30/2025	\$13,537,100	\$2,953,549	\$2,953,549	\$0	\$412,412	\$2,541,137
64431	Wellstone	07/01/2022 - 09/30/2025	8,399,347	2,652,425	2,652,425	-	461,131	2,191,294
94769	Indiana Center for Recovery South Bend	09/01/2025 - 08/31/2028	18,000,000	6,000,000	6,000,000	-	-	6,000,000
94772	Hendricks Behavioral Health	08/01/2025 - 07/31/2028	12,000,000	4,000,000	4,000,000	-	-	4,000,000
Total			\$51,936,447	\$15,605,974	\$15,605,974	\$0	\$873,543	\$14,732,431



Program Metric: State Hospital Length of Wait

August 2025

