

State of Indiana, Family and Social Services Administration

December 2025 Medicaid Forecast Update

Estimates through SFY 2029

Updated data through September 2025

December 18, 2025



Scope of Budget Forecast

Items not reflected

- **The budget forecast reflects current state and federal laws and regulations, as well as current Indiana Medicaid policies**
- **This forecast does not include proposed regulatory or statutory changes, such as:**
 - Proposed state Medicaid policy changes (e.g. ABA therapy, HCBS Waiver Amendments)
 - Proposed state legislation, such as:
 - Potential changes to the hospital assessment fee (HAF) program
 - Potential grandfathering of tax programs
 - Potential Healthy Indiana Plan (HIP) program redesign, including the introduction of work requirements
 - Potential limitation on prior authorization
 - Federal legislation changes with unknown impacts and timing
- **If new regulations or policy changes affecting the Medicaid program are implemented at the state or federal level, they will be included in future forecast updates**

April 2025 Medicaid Assistance Forecast Update

Expenditures and funding, estimated with data through January 2025

EXPENDITURES, in \$millions	FY 2023	Growth	FY 2024	Growth	FY 2025	Growth	FY 2026	Growth	FY 2027
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
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
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
Pathways (MLTSS)					4,146.2	17.4%	4,866.1	5.0%	5,110.5
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
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
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
Medicare Buy-In, Clawback	774.3	3.4%	800.9	4.8%	839.7	7.7%	904.5	4.7%	947.0
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)
Remove CHIP and MFP	(320.7)	31.2%	(420.7)	3.2%	(434.2)	1.1%	(438.8)	7.8%	(472.9)
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
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
FUNDING, in \$millions	FY 2023	Growth	FY 2024	Growth	FY 2025	Growth	FY 2026	Growth	FY 2027
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
IGTs	422.6	2.5%	433.1	4.0%	450.3	21.8%	548.5	5.8%	580.1
Provider Tax Receipts	181.7	(8.4%)	166.5	52.4%	253.7	(25.6%)	188.8	3.3%	195.1
HAF Funding	676.6	7.9%	729.8	24.0%	904.7	(20.7%)	717.7	21.3%	870.8
HIP Funding	566.1	(13.3%)	490.9	(2.9%)	476.7	19.8%	570.9	8.3%	618.3
QAF Transfer to SBA	(41.8)	(2.0%)	(40.9)	3.0%	(42.2)	3.0%	(43.4)	3.0%	(44.7)
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
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
General Fund Medicaid Assistance Appropriation	\$2,931.9	26.9%	\$3,721.5	12.8%	\$4,196.6		\$4,836.5		\$4,962.9
Sub-total (Shortfall)/Surplus	\$253.8		(\$394.6)		(\$220.6)		\$0.0		(\$247.9)
Augmentation/(Reversion) amount	(\$525.0)		\$255.2						
Balance After Augmentation/(Reversion)	(\$271.2)		(\$139.4)						

Note: Forecasted amounts do not reflect future federal and state policy changes

December 2025 Medicaid Assistance Forecast Update

Expenditures and funding, estimated with data through September 2025

EXPENDITURES, in \$millions	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
Healthy Indiana Plan	\$6,310.7	(6.8%)	\$5,882.3	(3.8%)	\$5,661.6	9.3%	\$6,189.2	7.1%	\$6,628.3
Hoosier Care Connect	1,505.0	14.7%	1,725.6	(13.5%)	1,492.6	(7.5%)	1,380.3	18.5%	1,635.7
Hoosier Healthwise	2,206.1	24.6%	2,749.5	4.9%	2,884.4	(10.0%)	2,595.1	6.3%	2,757.8
Pathways (MLTSS)			0.0	0.0%	4,071.7	16.5%	4,742.0	9.9%	5,212.9
Fee for Service - non-LTSS	2,200.3	13.9%	2,505.6	(11.7%)	2,212.4	(0.9%)	2,191.5	10.1%	2,412.5
Fee for Service LTSS - Institutional	2,413.5	8.8%	2,625.9	(64.2%)	938.8	(13.9%)	808.7	5.7%	855.1
Fee for Service LTSS - Community	2,146.6	66.4%	3,572.8	(35.2%)	2,314.1	(1.8%)	2,272.1	2.6%	2,331.2
Medicare Buy-In, Clawback	774.3	3.4%	800.9	3.5%	829.3	11.0%	920.3	9.5%	1,008.0
Rebates and Collections	(1,396.1)	2.9%	(1,436.2)	26.2%	(1,811.9)	(3.3%)	(1,752.6)	2.0%	(1,786.9)
Remove CHIP and MFP	(320.7)	31.2%	(420.7)	27.7%	(537.3)	(10.8%)	(479.3)	0.6%	(482.2)
Other Expenditures (DSH, UPL, etc.)	2,060.0	(32.6%)	1,387.6	49.7%	2,076.6	(18.5%)	1,693.0	(2.4%)	1,652.9
Medicaid Expenditures (State and Federal)	\$17,899.8	8.3%	\$19,393.3	3.8%	\$20,132.3	2.1%	\$20,560.3	8.1%	\$22,225.3
FUNDING, in \$millions	FY 2023	<u>Growth</u>	FY 2024		FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
Federal Funds	\$13,416.5	0.6%	\$13,497.9	1.3%	\$13,677.4	2.7%	\$14,050.7	9.3%	\$15,358.6
IGTs	422.6	2.5%	433.1	16.0%	502.5	7.6%	540.8	2.4%	554.0
Provider Tax Receipts	181.7	(8.4%)	166.5	55.2%	258.4	(24.0%)	196.3	4.6%	205.3
HAF Funding	676.6	7.9%	729.8	21.5%	886.5	(11.7%)	782.6	1.0%	790.1
HIP Funding	566.1	(13.3%)	490.9	(4.8%)	467.3	9.7%	512.6	7.8%	552.7
QAF Transfer to SBA	(41.8)	(2.0%)	(40.9)	7.0%	(43.8)	3.0%	(45.1)	3.0%	(46.5)
Non-Medicaid Assistance Funds	\$15,221.7	0.4%	\$15,277.2	3.1%	\$15,748.2	1.8%	\$16,037.9	8.6%	\$17,414.2
Forecasted Medicaid GF Assistance Need	\$2,678.1	53.7%	\$4,116.1	6.5%	\$4,384.0	3.2%	\$4,522.4	6.4%	\$4,811.1
General Fund Medicaid Assistance Appropriation	\$2,931.9	26.9%	\$3,721.5	12.8%	\$4,196.6		\$4,836.5		\$4,962.9
Sub-total (Shortfall)/Surplus	\$253.8		(\$394.6)		(\$187.4)		\$314.1		\$151.8
Augmentation/(Reversion) amount	(\$525.0)		\$255.2		\$220.6				
Balance After Augmentation/(Reversion)	(\$271.2)		(\$139.4)		\$33.2				

Note: Forecasted amounts do not reflect future federal and state policy changes

April 2025 Medicaid Assistance Forecast

Average monthly enrollment, projected with data through January 2025-FFS and Total

Average Monthly Enrollment	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
Healthy Indiana Plan	791,823	(6.8%)	737,605	(5.0%)	700,526	0.3%	702,549	0.4%	705,676
Hoosier Care Connect	101,407	(5.2%)	96,129	(16.5%)	80,253	2.3%	82,092	1.3%	83,175
Hoosier Healthwise	877,616	(9.2%)	797,206	(4.0%)	765,639	1.0%	773,221	1.0%	780,967
PathWays					119,043	5.2%	125,192	2.5%	128,266
Total Managed Care	1,770,846	(7.9%)	1,630,940	2.1%	1,665,461	1.1%	1,683,055	0.9%	1,698,084
Total Fee For Service	429,294	7.2%	460,193	(21.8%)	359,686	5.5%	379,379	7.0%	405,775
Total Enrollment	2,200,140	(5.0%)	2,091,133	(3.2%)	2,025,147	1.8%	2,062,434	2.0%	2,103,859

Key enrollment projection assumptions:

- Actual data through January 2025, with adjustments for completion
- Baseline growth of approximately 3,300 per month for the overall program, with annual growth rates varying by population: 0.5% for HIP, 1.0% to 2.0% for children, 0.5% to 3% for the aged (depending on dual/non-dual and setting).
- Actual waiver enrollment through January 2025 is currently reflected, along with a planned catch-up on waitlist invitations and no slot growth for H&W and PathWays from SFY 2025 through SFY 2027
- The forecast reflects higher (15%) annual trend for the Limited Benefit/HIP ESO population – enrollment trends have been very high for past few years but have slowed in recent months. Previous forecast reflected a 20% annual trend, which has been reduced, but high trends still anticipated.

December 2025 Medicaid Assistance Forecast

Average monthly enrollment, projected with data through September 2025-FFS and Total

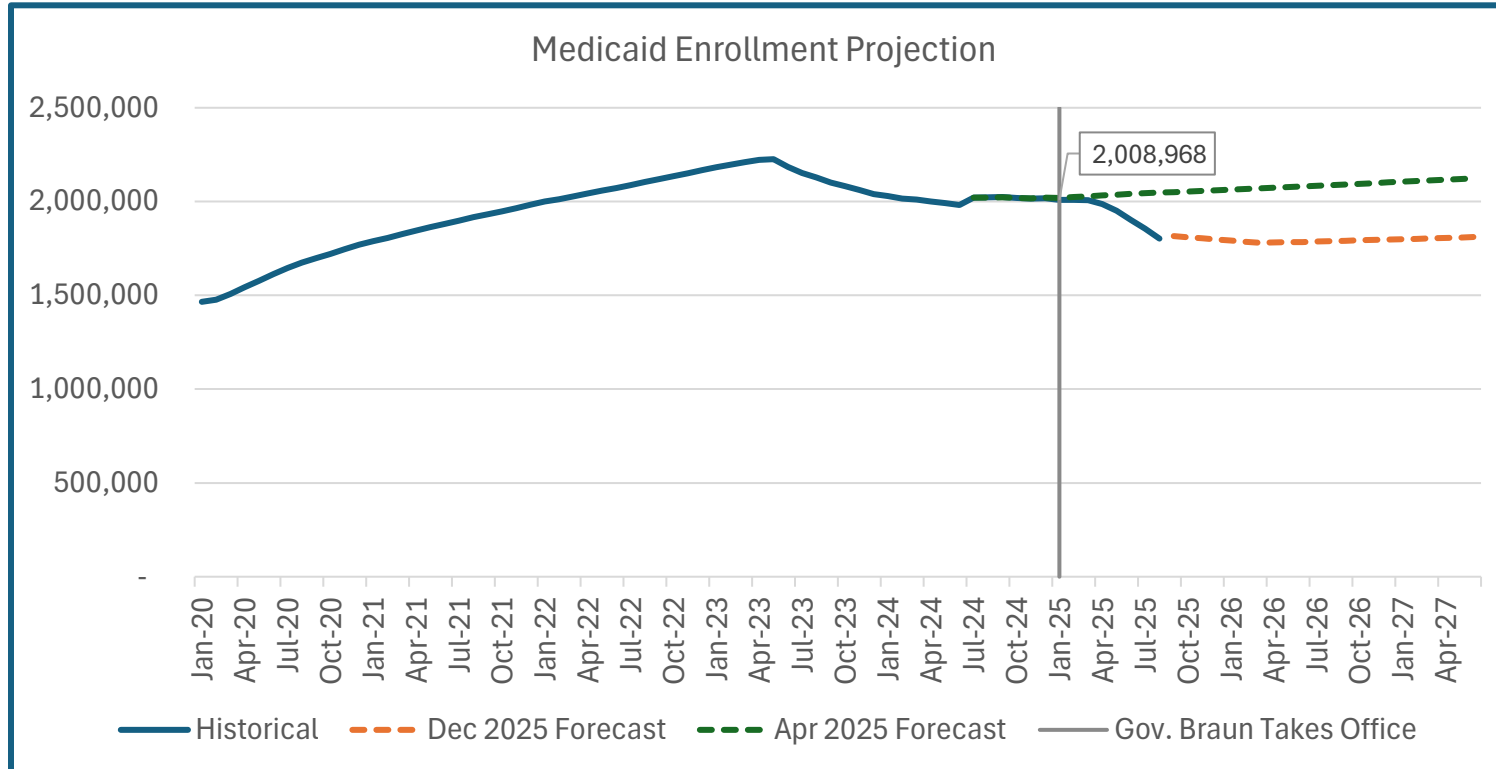
Average Monthly Enrollment	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
Healthy Indiana Plan	791,823	(6.8%)	737,605	(6.5%)	689,826	(13.2%)	599,016	(2.0%)	586,968
Hoosier Care Connect	101,407	(5.2%)	96,129	(16.5%)	80,243	0.3%	80,484	1.4%	81,623
Hoosier Healthwise	877,616	(9.2%)	797,206	(4.7%)	759,482	(11.2%)	674,602	(1.3%)	666,126
PathWays					117,152	2.7%	120,340	4.1%	125,231
Total Managed Care	1,770,846	(7.9%)	1,630,940	1.0%	1,646,703	(10.5%)	1,474,443	(1.0%)	1,459,948
Total Fee For Service	429,294	7.2%	460,193	(23.5%)	351,846	(7.4%)	325,908	3.9%	338,625
Total Enrollment	2,200,140	(5.0%)	2,091,133	(4.4%)	1,998,549	(9.9%)	1,800,350	(0.1%)	1,798,573

Key enrollment estimation assumptions:

- Actual data through September 2025, with adjustments for completion
- Enrollment declines beginning March 2025 have been driven by a change in policy requiring many individuals to respond to a mailer as part of the eligibility redetermination process, when previously it was optional to respond, primarily impacting HIP and HHW. Enrollment declines are estimated to continue through March 2026, with a period of stabilization and return to previously assumed baseline growth rates through the remainder of the biennium.
- Baseline annual growth rates varying by population: 0.5% for HIP, 1.0% to 2.0% for children, 0.5% to 3% for the aged (depending on dual/non-dual and setting).
- Actual waiver enrollment through September 2025 is currently reflected, along with a planned catch-up on waitlist invitations and no slot growth for H&W and PathWays from SFY 2025 through SFY 2027
- Forecast continues to reflect high trend of 15% Limited Benefit populations. However, HIP ESO, which has historically been heavily utilized by immigrant populations, has had a decline in enrollment of 30% through September 2025, since peaking in March 2025. Forecast assumes average monthly enrollment for HIP ESO will be consistent through the remainder of the biennium.

Enrollment Estimate

Total enrollment compared to the April 2025 Forecast Update



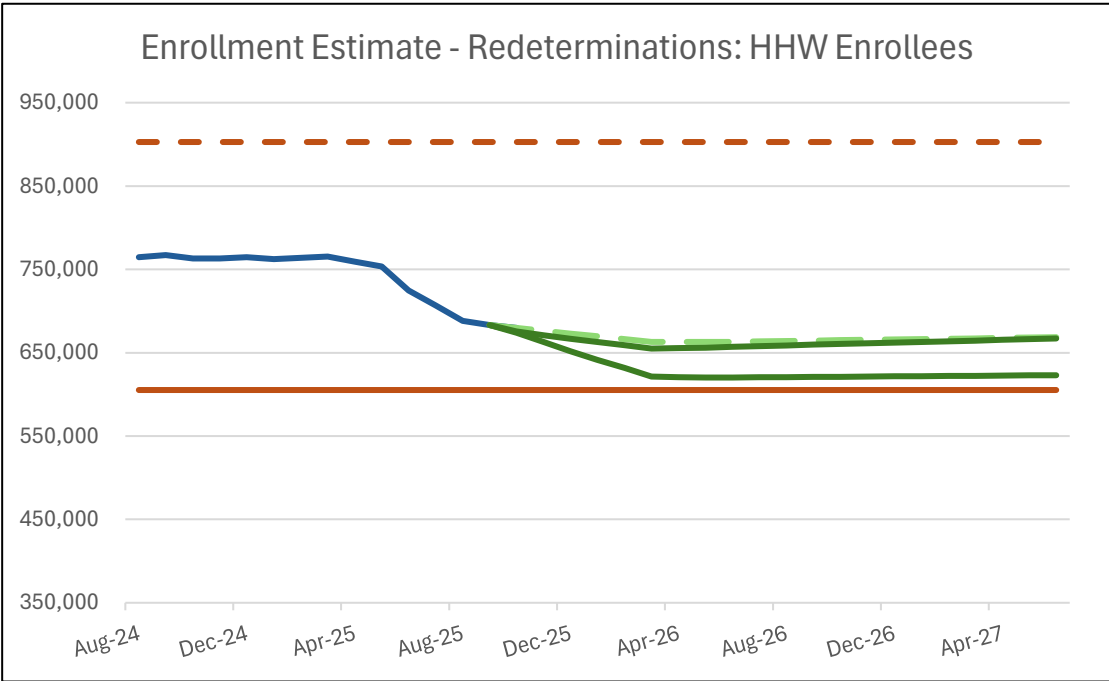
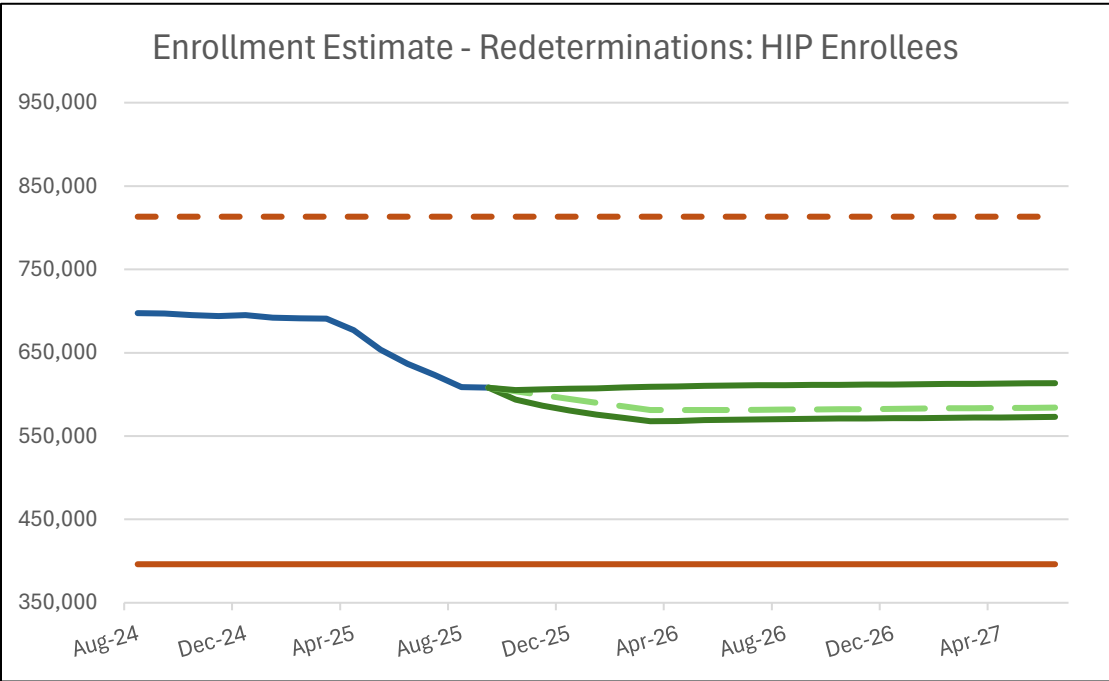
October 2025 enrollment levels, including assumed completion, are **11.9%** lower than previously estimated in the April 2025 Forecast (1,809,827 vs. 2,053,960).

Estimate Notes

- October 2025 enrollment, including assumed completion, is 244,133 enrollees lower than the April 2025 forecast estimated.
- Enrollment declines are primarily driven by HIP and HHW, which have both declined by ~83,000 enrollees since March, as a result of May Return Mailer changes.
- HIP Emergency Services Only (ESO) enrollment has also decreased by ~22,000 over the same period
- It is important to monitor impacts of renewal processing changes and economic factors as enrollment experience continues to emerge.

Must Return Mailer & End of Advertising Impacts – Enrollment

HIP & HHW enrollment was estimated by analyzing changes in eligibility redetermination results beginning March 2025

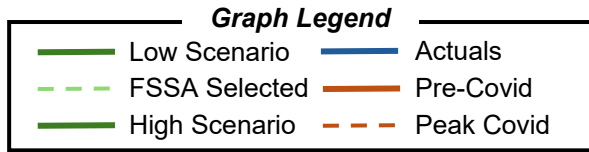


A range of enrollment declines from March 2025 to March 2026 was estimated with experience through September 2025, and additional enrollment experience through October 2025 was considered in the enrollment selection for the forecast.

- For HIP, the total estimated enrollment decline from March 2025 to March 2026 ranged from 82,000 to 123,000, with a forecast selected decline of 110,000. Enrollment decline in October 2025 was aligned with estimates, and no adjustment was made to estimated enrollment.
- For HHW, the total estimated enrollment decline for the same period ranged from 110,000 to 144,000 with a forecast selected decline of 102,000. Smaller enrollment decline in October 2025 than prior months led FSSA to selecting a higher enrollment assumption.

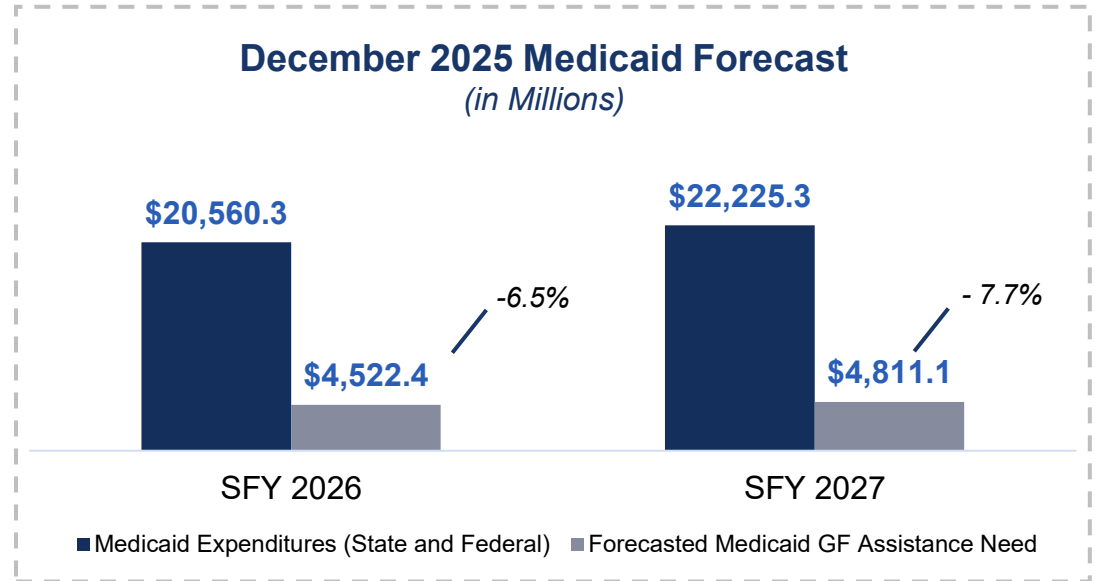
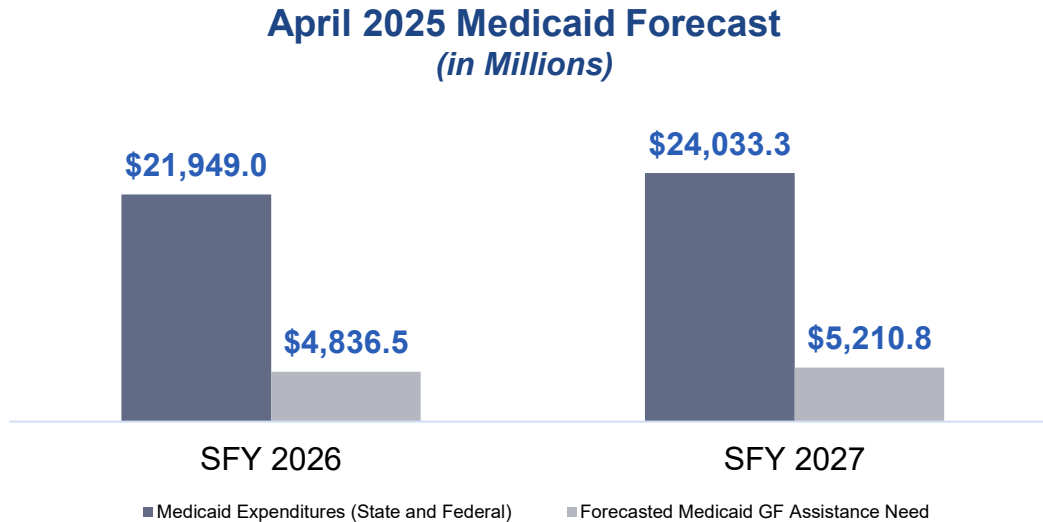


The trend is assumed to flatten after March 2026, reflecting enrollment after a full year of the new eligibility redetermination processing impacts have been incorporated.



December 2025 Medicaid Forecast Changes

Expenditures and funding, estimated with data through September 2025



PRIMARY DRIVERS

Change in Forecasted Expenditures

- Enrollment declines are the primary driver for the reduction in forecasted expenditures relative to the April 2025 forecast, particularly related to HIP and HHW program expenditures
- Differences in assumed and actual payment timing between SFY 2025, SFY 2026, and SFY 2027 relative to the April 2025 forecast also drove differentials, particularly related to risk corridors and DSH

Change in Forecasted General Fund Needs

- Similarly, enrollment declines are the primary driver for the reduction in forecasted General Fund needs relative to the April 2025 forecast.
- The final FFY2027 FMAP is estimated to be higher than the FFY2027 preliminary estimate assumed in the prior forecast

Comparison to the April 2025 Medicaid Forecast

Total Expenditures, in \$millions		SFY 2026 (estimated)	SFY 2027 (estimated)
April 2025 Forecast Expenditures		\$21,949.0	\$24,033.3
1	HIP Capitation Payments	(\$712.6)	(\$736.1)
2	HCC/HHW/PathWays Capitation Payments	(\$333.9)	(\$151.6)
3	HIP POWER Accounts	(\$219.6)	(\$162.9)
4	Risk Corridors	\$40.6	\$0.0
5	MCO Performance Payments	\$125.3	(\$33.3)
6	High Cost Rx	(\$111.9)	(\$178.4)
7	HCBS Waiver Services (FFS)	(\$99.1)	(\$84.9)
8	DSH	\$313.1	(\$220.2)
9	CCBHC	(\$103.2)	(\$124.6)
10	Medicare Buy-In & Part D Clawback	\$15.8	\$61.0
11	Pharmacy Rebates	(\$106.6)	(\$46.4)
12	All Other	(\$196.6)	(\$130.5)
Total Changes		(\$1,388.7)	(\$1,808.0)
Current Forecast Expenditures		\$20,560.3	\$22,225.3

Comparison to the April 2025 Medicaid Forecast

Appropriation Need, in \$millions		SFY 2026 (estimated)	SFY 2027 (estimated)
April 2025 Forecast appropriation need		\$4,836.5	\$5,210.8
1	HIP Capitation Payments	(\$38.8)	(\$37.8)
2	HCC/HHW/Pathways Capitation Payments	(\$112.1)	(\$48.1)
3	HIP POWER Accounts	(\$11.4)	(\$8.3)
4	Risk Corridors	(\$27.6)	\$0.0
5	MCO Performance Payments	\$28.6	(\$10.3)
6	High Cost Rx	(\$37.2)	(\$58.9)
7	HCBS Waiver Services (FFS)	(\$34.9)	(\$29.6)
8	DSH	\$0.0	\$0.0
9	CCBHC	\$0.0	\$0.0
10	Medicare Buy-In & Part D Clawback	\$10.0	\$37.7
11	Pharmacy Rebates	(\$23.5)	(\$10.2)
12	Assessments & IGTs	\$4.8	(\$164.0)
13	All Other	(\$72.0)	(\$70.1)
Total Changes		(\$314.1)	(\$399.7)
Current Forecast appropriation need		\$4,522.4	\$4,811.1

Areas With Highest Likelihood of Underestimation

Cautions and top areas to watch

- **Enrollment Declines**
 - Uncertainty regarding how long enrollment declines will continue as a result of the must-return mailer
- **Risk corridor payments**
 - Uncertainty regarding amount of final payments, particularly for PathWays program
 - Payment amounts will be dependent on whether MCEs are able to curb recent high-cost trends and correct payment issues in PathWays
- **Economic uncertainty**
 - A recession or other economic downturn – potentially influenced by recently introduced tariffs – could lead to higher Medicaid enrollment levels and increased costs
- **Sustained high cost and utilization trends in targeted areas**
 - Attendant care, ABA, pharmacy, and home health services have experienced high cost and utilization trends in recent years. Home health services forecasted at 20% growth rate
- **Uncertain costs of new program and policy changes**
 - New programs such as the CCBHC program are associated with uncertain costs that should be monitored
- **Higher-than-expected Medicare fee schedule increases**
 - Since Indiana Medicaid's physician and ancillary fee schedules are tied to the Medicare fee schedule, future year increases in the Medicare fee schedule will impact Indiana Medicaid expenditures

December 2025 Medicaid Assistance Forecast Through FY 2029

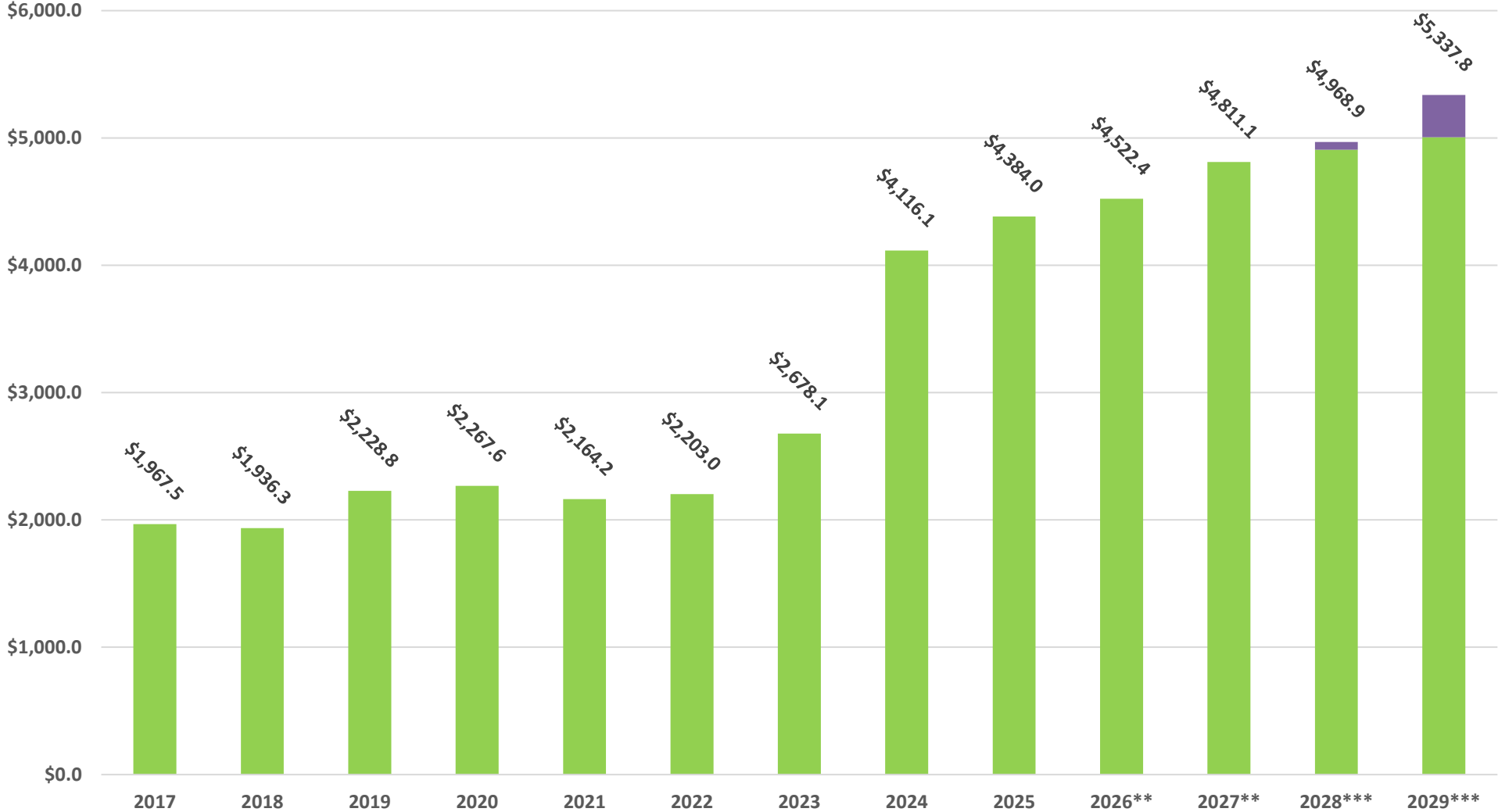
Expenditures and funding, estimated with data through September 2025

EXPENDITURES, in \$millions	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027	<u>Growth</u>	FY 2028	<u>Growth</u>	FY 2029
Healthy Indiana Plan	\$6,310.7	(6.8%)	\$5,882.3	(3.8%)	\$5,661.6	9.3%	\$6,189.2	7.1%	\$6,628.3	1.5%	\$6,730.5	4.7%	\$7,045.4
Hoosier Care Connect	1,505.0	14.7%	1,725.6	(13.5%)	1,492.6	(7.5%)	1,380.3	18.5%	1,635.7	4.4%	1,707.0	6.3%	1,815.0
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Rebates and Collections	(1,396.1)	2.9%	(1,436.2)	26.2%	(1,811.9)	(3.3%)	(1,752.6)	2.0%	(1,786.9)	9.7%	(1,960.1)	6.5%	(2,087.3)
Remove CHIP and MFP	(320.7)	31.2%	(420.7)	27.7%	(537.3)	(10.8%)	(479.3)	0.6%	(482.2)	7.5%	(518.4)	6.6%	(552.5)
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FUNDING, in \$millions	FY 2023	<u>Growth</u>	FY 2024		FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027	<u>Growth</u>	FY 2028	<u>Growth</u>	FY 2029
Federal Funds	\$13,416.5	0.6%	\$13,497.9	1.3%	\$13,677.4	2.7%	\$14,050.7	9.3%	\$15,358.6	3.9%	\$15,952.2	5.6%	\$16,851.1
IGTs	422.6	2.5%	433.1	16.0%	502.5	7.6%	540.8	2.4%	554.0	2.4%	567.5	2.8%	583.3
Provider Tax Receipts	181.7	(8.4%)	166.5	55.2%	258.4	(24.0%)	196.3	4.6%	205.3	2.3%	210.1	2.9%	216.1
HAF Funding	676.6	7.9%	729.8	21.5%	886.5	(11.7%)	782.6	1.0%	790.1	1.3%	800.6	1.6%	813.7
HIP Funding	566.1	(13.3%)	490.9	(4.8%)	467.3	9.7%	512.6	7.8%	552.7	0.4%	554.8	4.1%	577.6
QAF Transfer to SBA	(41.8)	(2.0%)	(40.9)	7.0%	(43.8)	3.0%	(45.1)	3.0%	(46.5)	3.0%	(47.9)	3.0%	(49.3)
Non-Medicaid Assistance Funds	\$15,221.7	0.4%	\$15,277.2	3.1%	\$15,748.2	1.8%	\$16,037.9	8.6%	\$17,414.2	3.6%	\$18,037.4	5.3%	\$18,992.5
Forecasted Medicaid GF Assistance Need	\$2,678.1	53.7%	\$4,116.1	6.5%	\$4,384.0	3.2%	\$4,522.4	6.4%	\$4,811.1	3.3%	\$4,968.9	7.4%	\$5,337.8
General Fund Medicaid Assistance Appropriation	\$2,931.9	26.9%	\$3,721.5	12.8%	\$4,196.6		\$4,836.5		\$4,962.9				
Sub-total (Shortfall)/Surplus	\$253.8		(\$394.6)		(\$187.4)		\$314.1		\$151.8				
Augmentation/(Reversion) amount	(\$525.0)		\$255.2		\$220.6								
Balance After Augmentation/(Reversion)	(\$271.2)		(\$139.4)		\$33.2								

Note: Forecasted amounts do not reflect future federal and state policy changes



State Funding Spend



**Forecasted amounts based on updated December Medicaid Forecast

***Forecasted amounts based on 2% growth target

	Historical + Estimated Forecast Through SFY 2027, Growing at 2% for SFY 2028 and SFY 2029
	SFY 2028 and SFY 2029 Estimated Forecast



Managed Care Capitation Rate History and Fee for Services Trend Rates

HCC - Capitation Rates	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025*	CY 2026*	CY 2027**
HCC Composite	\$1,083.62	\$1,175.56	\$1,265.32	\$1,254.38	\$1,285.45	\$1,448.47	\$1,525.24
Year over Year Change	-0.7%	8.5%	7.6%	-0.9%	2.5%	12.7%	5.3%
Composite Adjusted for Risk Corridor	\$1,080.75	\$1,141.35	\$1,265.32	\$1,303.50	\$1,319.11	\$1,448.47	\$1,525.24
Year over Year Change	6.2%	5.6%	10.9%	3.0%	1.2%	9.8%	5.3%
HHW - Capitation Rates	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025*	CY 2026*	CY 2027**
HHW Composite	\$202.37	\$232.86	\$260.82	\$267.23	\$274.53	\$304.98	\$322.06
Year over Year Change	-1.6%	15.1%	12.0%	2.5%	2.7%	11.1%	5.6%
Composite Adjusted for Risk Corridor	\$207.15	\$227.83	\$251.12	\$271.72	\$277.69	\$304.98	\$322.06
Year over Year Change	13.8%	10.0%	10.2%	8.2%	2.2%	9.8%	5.6%
HIP - Capitation Rates	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025*	CY 2026*	CY 2027**
HIP Composite	\$593.09	\$577.28	\$558.89	\$564.87	\$601.76	\$689.72	\$720.07
Year over Year Change	-11.4%	-2.7%	-3.2%	1.1%	6.5%	14.6%	4.4%
Composite Adjusted for Risk Corridor	\$569.90	\$546.02	\$565.13	\$612.05	\$630.56	\$689.72	\$720.07
Year over Year Change	-5.8%	-4.2%	3.5%	8.3%	3.0%	9.4%	4.4%
PathWays - Capitation Rates	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027**
PathWays Composite					\$3,016.09	\$3,111.09	\$3,207.53
Year over Year Change					N/A	3.1%	3.1%
Composite Adjusted for Risk Corridor					\$3,209.72	\$3,111.09	\$3,207.53
Year over Year Change					N/A	-3.1%	3.1%
Fee for Service - Average Cost	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027
Cost per Member per Month	\$1,131.58	\$1,212.00	\$1,312.30	\$1,576.21	\$1,294.42	\$1,348.11	\$1,377.83
Year over Year Change	-0.9%	7.1%	8.3%	20.1%	-17.9%	4.1%	2.2%

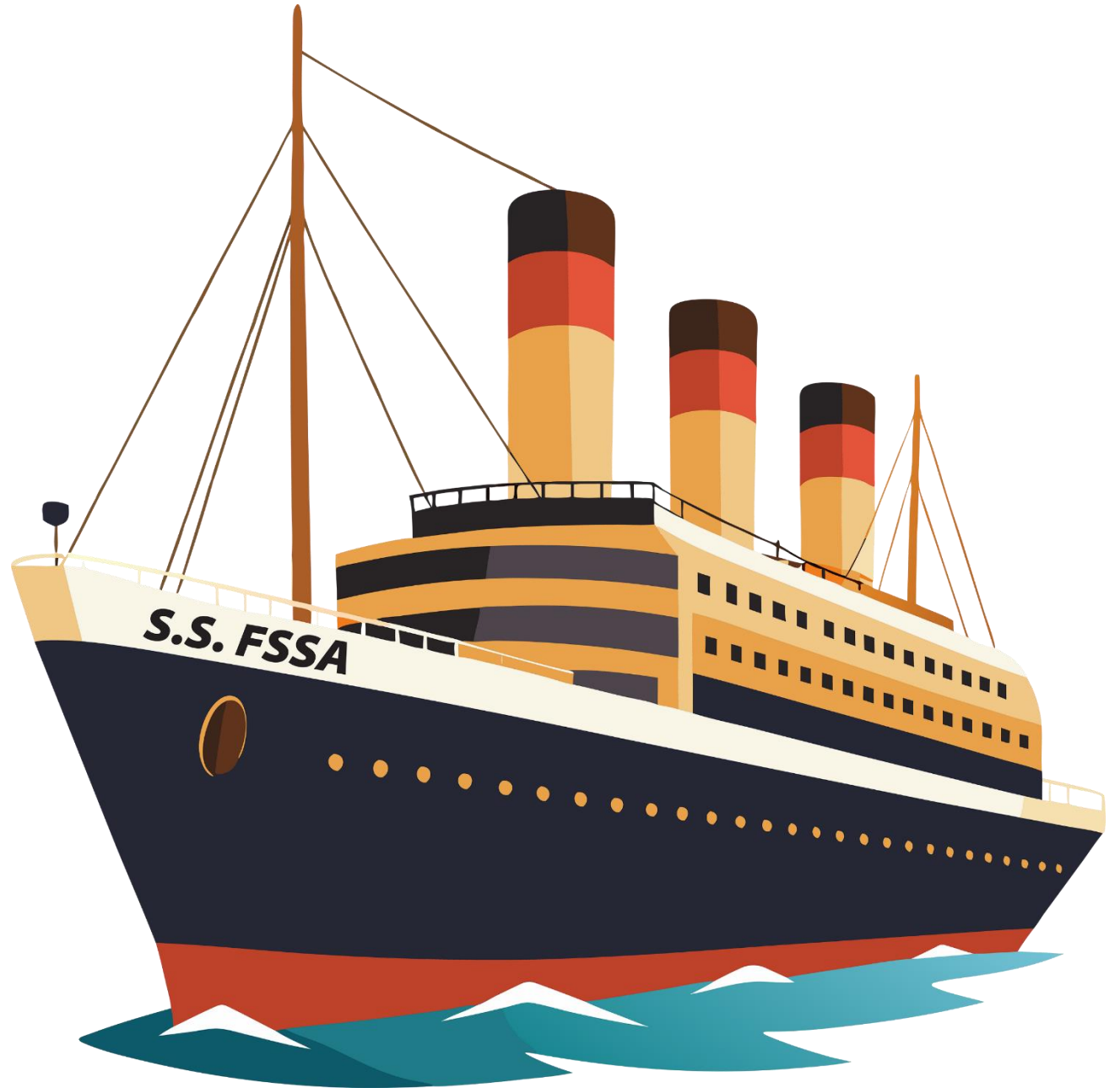
*Capitation Rates for CY 2025 and CY 2026 are initial rates for each year and are expected to be amended

** Capitation rates for CY 2027 and SFY 2027 are projected based on expected trends

NOTE: Capitation Payments shown are mix-adjusted and on a Date of Service basis. Risk Corridor adjustments are also shown on a Date of Service basis.

S.S. FSSA

Secretary Mitch Roob



Appendix

April 2025 Medicaid Assistance Forecast

Average monthly enrollment, projected with data through January 2025 – Managed Care

Average Monthly Enrollment	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
<i>Healthy Indiana Plan</i>									
HIP State Plan Benefits Package	177,544	(18.1%)	145,429	(16.0%)	122,228	(0.9%)	121,105	0.5%	121,710
HIP Expansion	313,954	5.7%	331,986	4.7%	347,676	0.7%	350,084	0.5%	351,835
HIP Expansion - Medically Frail	238,130	(14.0%)	204,739	(9.2%)	185,864	1.1%	188,002	0.5%	188,942
HIP Pregnant Women	59,668	(14.5%)	51,034	(21.6%)	40,013	(3.6%)	38,589	(0.5%)	38,396
HIP Hospital Presumptive Eligibility	2,527	74.9%	4,418	7.4%	4,746	0.5%	4,770	0.5%	4,793
<i>Total Healthy Indiana Plan</i>	791,823	(6.8%)	737,605	(5.0%)	700,526	0.3%	702,549	0.4%	705,676
<i>Hoosier Care Connect</i>									
Adult	62,115	(7.5%)	57,448	(31.2%)	39,544	0.6%	39,770	0.5%	39,969
Child	23,565	(6.2%)	22,102	1.4%	22,403	1.7%	22,781	1.0%	23,008
Foster	15,727	5.4%	16,579	10.4%	18,307	6.7%	19,542	3.4%	20,198
<i>Total Hoosier Care Connect</i>	101,407	(5.2%)	96,129	(16.5%)	80,253	2.3%	82,092	1.3%	83,175
<i>Hoosier Healthwise</i>									
Adults	847	1.3%	858	(73.8%)	225	(15.1%)	191	0.5%	192
Children	727,093	(11.5%)	643,544	(4.7%)	613,412	1.0%	619,538	1.0%	625,733
Pregnant Women	21,038	(8.7%)	19,204	(32.2%)	13,016	(5.9%)	12,250	(0.5%)	12,188
CHIP	128,638	3.9%	133,600	4.0%	138,987	1.6%	141,243	1.1%	142,854
<i>Total Hoosier Healthwise</i>	877,616	(9.2%)	797,206	(4.0%)	765,639	1.0%	773,221	1.0%	780,967
<i>PathWays</i>									
Nursing Home					22,416	4.8%	23,488	4.5%	24,543
HCBS					28,819	11.1%	32,004	(1.1%)	31,650
Acute					67,807	2.8%	69,700	3.4%	72,073
<i>Total PathWays</i>					119,043	5.2%	125,192	2.5%	128,266

April 2025 Medicaid Assistance Forecast

Average monthly enrollment, projected with data through January 2025 – FFS and Total

Average Monthly Enrollment	FY 2023	<i>Growth</i>	FY 2024	<i>Growth</i>	FY 2025	<i>Growth</i>	FY 2026	<i>Growth</i>	FY 2027
<i>Fee For Service</i>									
Institutionalized	31,574	(0.3%)	31,471	(72.7%)	8,586	(5.2%)	8,136	0.3%	8,161
Waiver\State Plan HCBS	71,246	8.9%	77,591	(38.0%)	48,127	3.2%	49,665	1.8%	50,581
No Level of Care									
Hoosier Healthwise FFS	29,314	45.0%	42,509	(18.8%)	34,504	(1.8%)	33,883	0.7%	34,122
Dual	105,283	(10.9%)	93,804	(62.1%)	35,589	(2.2%)	34,804	0.5%	34,978
Non-Dual	33,567	(3.2%)	32,487	(14.6%)	27,729	2.5%	28,415	3.1%	29,282
Medicare Savings Program	64,300	5.7%	67,987	12.4%	76,449	3.5%	79,140	3.0%	81,514
Limited Benefit Populations, HIP ESO	94,010	21.6%	114,343	12.6%	128,701	12.9%	145,337	15.0%	167,137
<i>Total Fee For Service</i>	429,294	7.2%	460,193	(21.8%)	359,686	5.5%	379,379	7.0%	405,775
<i>OVERALL TOTAL</i>	2,200,140	(5.0%)	2,091,133	(3.2%)	2,025,147	1.8%	2,062,434	2.0%	2,103,859

Key enrollment projection assumptions:

- Actual data through January 2025, with adjustments for completion
- Baseline growth of approximately 3,300 per month for the overall program, with annual growth rates varying by population: 0.5% for HIP, 1.0% to 2.0% for children, 0.5% to 3% for the aged (depending on dual/non-dual and setting).
- Actual waiver enrollment through January 2025 is currently reflected, along with a planned catch-up on waitlist invitations and no slot growth for H&W and PathWays from SFY 2025 through SFY 2027
- The forecast reflects higher (15%) annual trend for the Limited Benefit/HIP ESO population – enrollment trends have been very high for past few years but have slowed in recent months. Previous forecast reflected a 20% annual trend, which has been reduced, but high trends still anticipated.

December 2025 Medicaid Assistance Forecast

Average monthly enrollment, estimated with data through September 2025 – Managed Care

Average Monthly Enrollment	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
<i>Healthy Indiana Plan</i>									
HIP State Plan Benefits Package	177,544	(18.1%)	145,429	(17.6%)	119,818	(14.3%)	102,733	(1.9%)	100,829
HIP Expansion	313,954	5.7%	331,986	3.1%	342,262	(15.0%)	290,962	(2.5%)	283,623
HIP Expansion - Medically Frail	238,130	(14.0%)	204,739	(11.0%)	182,311	(12.1%)	160,296	(1.8%)	157,479
HIP Pregnant Women	59,668	(14.5%)	51,034	(20.5%)	40,597	0.6%	40,843	0.1%	40,882
HIP Bridge			0	0.0%	0	0.0%	0	0.0%	0
HIP Hospital Presumptive Eligibility	2,527	74.9%	4,418	9.5%	4,838	(13.6%)	4,182	(0.6%)	4,156
<i>Total Healthy Indiana Plan</i>	791,823	(6.8%)	737,605	(6.5%)	689,826	(13.2%)	599,016	(2.0%)	586,968
<i>Hoosier Care Connect</i>									
Adult	62,115	(7.5%)	57,448	(31.4%)	39,431	(3.2%)	38,186	0.3%	38,299
Child	23,565	(6.2%)	22,102	1.9%	22,522	0.4%	22,610	0.9%	22,814
Foster	15,727	5.4%	16,579	10.3%	18,290	7.6%	19,688	4.2%	20,510
<i>Total Hoosier Care Connect</i>	101,407	(5.2%)	96,129	(16.5%)	80,243	0.3%	80,484	1.4%	81,623
<i>Hoosier Healthwise</i>									
Adults	847	1.3%	858	(73.6%)	227	(41.0%)	134	(4.6%)	128
Children	727,093	(11.5%)	643,544	(5.7%)	606,946	(10.5%)	543,178	(1.2%)	536,636
Pregnant Women	21,038	(8.7%)	19,204	(32.1%)	13,046	(8.6%)	11,921	(0.1%)	11,906
CHIP	128,638	3.9%	133,600	4.2%	139,263	(14.3%)	119,369	(1.6%)	117,456
<i>Total Hoosier Healthwise</i>	877,616	(9.2%)	797,206	(4.7%)	759,482	(11.2%)	674,602	(1.3%)	666,126
<i>PathWays</i>									
Nursing Home					21,974	(2.4%)	21,441	2.4%	21,957
HCBS					28,279	9.5%	30,971	8.4%	33,565
Acute					66,900	1.5%	67,929	2.6%	69,708
<i>Total PathWays</i>					117,152	2.7%	120,340	4.1%	125,231

December 2025 Medicaid Assistance Forecast

Average monthly enrollment, estimated with data through September 2025 – FFS and Total

Average Monthly Enrollment	FY 2023	<u>Growth</u>	FY 2024	<u>Growth</u>	FY 2025	<u>Growth</u>	FY 2026	<u>Growth</u>	FY 2027
<i>Fee For Service</i>									
Institutionalized	31,574	(0.3%)	31,471	(73.1%)	8,473	(6.1%)	7,955	2.6%	8,162
Waiver\State Plan HCBS	71,246	8.9%	77,591	(38.3%)	47,842	2.9%	49,214	3.1%	50,724
No Level of Care									
Hoosier Healthwise FFS	29,314	45.0%	42,509	(18.0%)	34,838	3.4%	36,022	1.9%	36,714
Dual	105,283	(10.9%)	93,804	(61.6%)	35,979	(8.1%)	33,055	0.8%	33,334
Non-Dual	33,567	(3.2%)	32,487	(23.6%)	24,808	(2.4%)	24,217	2.5%	24,834
Medicare Savings Program	64,300	5.7%	67,987	11.8%	75,990	(2.5%)	74,098	2.8%	76,198
Limited Benefit Populations, HIP ESO	94,010	21.6%	114,343	8.4%	123,914	(18.2%)	101,347	7.2%	108,659
<i>Total Fee For Service</i>	429,294	7.2%	460,193	(23.5%)	351,846	(7.4%)	325,908	3.9%	338,625
<i>OVERALL TOTAL</i>	2,200,140	(5.0%)	2,091,133	(4.4%)	1,998,549	(9.9%)	1,800,350	(0.1%)	1,798,573

Key enrollment estimation assumptions:

- Actual data through September 2025, with adjustments for completion
- Enrollment declines beginning March 2025 have been driven by a change in policy requiring many individuals to respond to a mailer as part of the eligibility redetermination process, when previously it was optional to respond, primarily impacting HIP and HHW. Enrollment declines are estimated to continue through March 2026, with a period of stabilization and return to previously assumed baseline growth rates through the remainder of the biennium.
- Baseline annual growth rates varying by population: 0.5% for HIP, 1.0% to 2.0% for children, 0.5% to 3% for the aged (depending on dual/non-dual and setting).
- Actual waiver enrollment through September 2025 is currently reflected, along with a planned catch-up on waitlist invitations and no slot growth for H&W and PathWays from SFY 2025 through SFY 2027
- Forecast continues to reflect high trend of 15% Limited Benefit populations. However, HIP ESO, which has historically been heavily utilized by immigrant populations, has had a decline in enrollment of 30% through September 2025, since peaking in March 2025. Forecast assumes average monthly enrollment for HIP ESO will be consistent through the remainder of the biennium.

CHIP

Funding Estimations

- Decreasing estimated costs through the biennium due to enrollment declines
- Reflects status quo ABA utilization management
- FMAPs through FFY 2026 are final and FFY 2027 are preliminary, as provided by FFIS
- Shortfalls for SFY2023, SFY2024 and SFY2025 have been covered through other agency appropriations

STATE OF INDIANA							
Family and Social Services Administration							
Analysis of CHIP State Funding, in \$millions							
	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027	SFY 2028	SFY 2029
Projected CHIP Expenditures	\$ 305.20	\$ 388.80	\$ 517.83	\$ 466.05	\$ 461.39	\$ 490.97	\$ 522.6
Applicable FMAP	80.12%	76.56%	75.56%	75.35%	75.32%	75.67%	75.67%
State Share	60.7	91.1	126.6	114.9	113.9	119.5	127.2
Projected HAF Funding	\$7.90	\$4.70	15.0	13.7	13.5	13.7	13.9
SFY 2024 HAF Funding Adjustment			<u>\$13.97</u>				
Projected Appropriation Need	\$ 52.8	\$ 86.4	\$ 97.6	\$ 101.2	\$ 100.3	\$ 105.7	\$ 113.2
Appropriation - CHIP Assistance	\$51.10	\$67.60	\$64.60	\$87.40	\$93.20		
Surplus / (Shortfall)	(\$ 1.7)	(\$ 18.8)	(\$ 33.0)	(\$ 13.8)	(\$ 7.1)		

Thank you