



Mike Braun, Governor  
State of Indiana

## ***Indiana Family and Social Services Administration***

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The Monthly Medicaid Financial Report for September 2025 was released today.

### **Note to Readers**

The forecasted monthly Medicaid expenditures, enrollment and funding are based on the April 2025 Medicaid forecast, which considered data through January 2025. Information on the latest forecast is available [here](#).

State Fiscal Year 2026 began on July 1, 2025, and ends on June 30, 2026.

### **Results and Commentary**

#### ***Enrollment***

- As of September 2025, Medicaid enrollment across all programs and delivery systems totaled 1,752,020 individuals, which is 298,654 (14.6%) below the forecasted amount. Compared to the actual enrollment in September 2024 of 1,976,259, enrollment is down 224,239. Year-to-date average monthly enrollment is 220,244 (10.9%) below the average monthly enrollment year-to-date in September 2024. Average monthly enrollment year-to-date (YTD) for SFY 2024 through September was 2,021,424.

#### ***Expenditures***

- Medicaid expenditures YTD through September totaled \$4.8B, which is \$240.3M (4.8%) below the estimated amount in the April 2025 Medicaid forecast and \$44.9M (0.9%) below expenditures YTD in September 2024.
- Managed care expenditures are based on capitated per-member-per-month (PMPM) payments to managed care entities (MCEs), as opposed to utilization experience or actual claims paid by MCEs. As a result, enrollment is the primary driver of managed care variances. Overall managed care expenditures are \$223.2M (6.4%) below the estimated amount in the April 2025 Medicaid forecast.
- SFY 2026 managed care expenditures YTD are \$48.9M (1.5%) above expenditures YTD in September 2024, driven primarily by risk corridor payments received, retro capitation payments paid in Health Indiana Plan



(HIP), Hoosier Healthwise (HHW) and PathWays (PW) in 2025 and Certified Community Behavioral Health Clinic (CCBHC) expenditures.

- The favorable variance to forecast in SFY 2026 YTD for the Healthy Indiana Plan (HIP), PathWays and Hoosier Healthwise is due to lower than forecasted enrollment while the unfavorable variance to forecast in Hoosier Care Connect and Hoosier Healthwise is being driven by the timing of MCO performance payments. The HIP program is predominately funded through an increased federal medical assistance percentage (FMAP), a portion of state cigarette tax revenue, and hospital assessment fees. As a result, these expenditures do not impact the State's general fund.
- Fee-for-service (FFS) expenditures reflect a favorable YTD variance to forecast of \$100.2M. Primary drivers include positive variances being seen in Home and Community Bases Waiver Services and State Plan service expenditures. HCBS Waiver services overall have a favorable variance to forecast of \$31.9M largely driven by the lower than forecasted expenditures under the Health and Wellness (H&W) and Community Integration and Habilitation (CIH) waivers.
- State Plan Services expenditures reflect a favorable variance to the forecast of \$65.2M with the main drivers being lower than forecasted high-cost drugs and certified community behavioral health clinic costs.
- Manual expenditures include supplemental payments paid to providers throughout the year but have minimal impact on the State's general fund as the state share of these costs are paid through Intergovernmental Transfers (IGTs) or assessment fees. Higher than forecasted provider supplemental payments for DSH supplemental payments are the primary driver of the SFY2026 negative variance to forecasted expenditures.
- A positive variance to forecast in the Other Expenditures category is primarily driven by pharmacy rebate collections being higher than forecasted, which provides an offset for the cost of drugs provided to Medicaid recipients along with Part D Clawback payments.
- Children Health Insurance Plan (CHIP) and Money Follows the Person (MFP) expenditures are not paid through the Medicaid Assistance fund and therefore are removed from the total expenditures reported.
- Overall, decreased SFY 2026 YTD expenditures compared to prior year expenditures are mainly driven by lower Long-Term Institutional Care, HCBS Waiver and State Plan services expenditures while offset partially by higher pharmacy rebates collections and DSH and NFL UPL supplemental payments.

### ***Funding***

- General fund usage year-to-date through September 2025 totaled \$1.2BM, which represents approximately 24.3% of the overall funding for Medicaid Assistance expenditures while 70.1% comes from federal funds and 5.6% comes from Intergovernmental transfers and provider taxes.
- Through September 2025, the current SFY funding surplus is estimated at \$43.3M. This surplus is expected to fluctuate throughout the year based on the timing of funding and expenditures, particularly as it pertains to non-federal and non-state funds such as IGTs and assessment fees. Month-to-month changes are to be interpreted within the full fiscal year forecast.