

# STATE OF INDIANA

## EXECUTIVE DEPARTMENT INDIANAPOLIS

EXECUTIVE ORDER 25-60

**FOR: ASSURING PRUDENT USE OF TAXPAYER FUNDS BY ENSURING INTEGRITY IN THE INDIANA MEDICAID PROGRAM**

TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS.

**WHEREAS,** Medicaid is the largest line item in the State of Indiana's all-funds budget and the second-largest line item in the General Fund budget and is expected to increase by two billion dollars (\$2,000,000,000) over the next two years;

**WHEREAS,** the State of Indiana's Medicaid program experienced a one billion dollar (\$1,000,000,000) funding shortfall in 2024 and is projected to end 2025 with an additional two hundred thirty-three million dollar (\$233,000,000) shortfall;

**WHEREAS,** as a result of the COVID-19 pandemic, the State of Indiana enrolled applicants into Medicaid based on self-attested income information between 2020 and 2023;

**WHEREAS,** over eighty percent (80%) of Medicaid enrollees in the State of Indiana had their Medicaid coverage renewed on an ex-parte basis without any action or verification from enrollees, far above the national average;

**WHEREAS,** in the most recent analysis before standards were relaxed due to the COVID-19 pandemic, the U.S. Department of Health and Human Services identified twenty-eight-point eight percent (28.8%) of the State of Indiana's Medicaid spending as improper, with eligibility errors accounting for nearly sixty seven percent (67%) of those improper payments;

**WHEREAS,** fewer than twenty-five percent (25%) of patients deemed presumptively eligible for Medicaid by hospitals and other qualified entities are ultimately determined eligible and enrolled in the program;

**WHEREAS,** there have been standards in place since 2015 for presumptive eligibility determinations contained in 405 IAC 2-3.3-3, but those standards have not been enforced;

**WHEREAS,** the State of Indiana has a responsibility to enforce strong performance standards for entities conducting presumptive eligibility determinations, as it cannot recoup funds spent on behalf of individuals incorrectly deemed presumptively eligible;

**WHEREAS,** allowing ineligible enrollees to remain on Medicaid crowds out funding for eligible enrollees and individuals on waitlists for needed services;

**WHEREAS,** the Office of the Secretary of Family and Social Services Administration (the "Office") administers the Medicaid program for the State of Indiana; and

**WHEREAS,** government policies must protect enrollees and taxpayers by ensuring that the Medicaid program is limited to those in need and eligible;

**NOW, THEREFORE, I, MIKE BRAUN,** by virtue of the authority vested in me as the Governor of the State of Indiana, do hereby order that:

1. By October 1, 2025, the Office shall submit a detailed report to the Medicaid

oversight committee concerning improper payments from the Medicaid program based on the Centers for Medicare and Medicaid Services' (CMS) Payment Error Rate Measurement Audit of Indiana for reporting year 2024.

2. The Office shall take all necessary steps to no longer accept self-attestation of income, residency, or age without verification before enrollment, except when otherwise required by federal law.
3. The Office shall carefully collect and periodically review data that may indicate a change in circumstances that would necessitate an eligibility review for Medicaid enrollees. This data shall include, to the extent legally permitted:
  - a. Vital statistics information provided by the Department of Health to determine removal of deceased individuals;
  - b. Information provided by the State Lottery Commission and the Indiana Gaming Commission that indicates a change in circumstance that may affect eligibility, including lottery and gambling winnings;
  - c. Information provided by the Department of Workforce Development that indicates a change in circumstances that may affect eligibility, including changes to employment or wages;
  - d. Information provided by the Department of Revenue that indicates a change in circumstances that may affect eligibility, including changes to employment, wages, adjusted gross income, and household composition;
  - e. Information provided by the Department of Correction concerning Medicaid recipients that may indicate a change in circumstances that may affect eligibility;
  - f. Information concerning Medicaid recipients who also receive Supplemental Nutrition Assistance Program benefits to determine whether there has been any change in circumstances that may affect eligibility, including a change in residency as may be identified through electronic benefit transfer program transactions;
  - g. Information provided by the U.S. Social Security Administration, including earned income information, death register information, incarceration records, supplemental security income information, beneficiary records, earnings information, and pension information;
  - h. Information provided by the U.S. Department of Health and Human Services, including income and employment information maintained in the National Directory of New Hires database and child enforcement data;
  - i. Information provided by the U.S. Postal Service, including change of address information;
  - j. Information provided by the U.S. Department of Housing and Urban Development, including payment and earnings information; and
  - k. Information maintained by the U.S. Federal Bureau of Investigation, including national fleeing felon information;
4. The Office shall promptly conduct an eligibility redetermination upon receiving information concerning a Medicaid recipient that indicates a change in circumstances that may affect that recipient's eligibility.
5. The Office shall enter into any data sharing agreements necessary to carry out the intent of this order.
6. The Office shall take all necessary steps to establish performance standards for qualified hospitals to make presumptive eligibility determinations for the Medicaid program, including but not limited to updating 405 IAC 2-3.3-3. These standards shall include whether:
  - a. Each presumptive eligibility determination received from the hospital was received by the Office within five business days after the date of determination;
  - b. The Office received the full application from the individual determined by the hospital to be presumptively eligible before the expiration of each presumptive eligibility period; and

- c. Each applicant who was determined presumptively eligible by the hospital was determined to be eligible for Medicaid after the full application was received.
  7. The Office shall take all necessary steps to establish and enforce escalating corrective actions for each violation of the performance standards established pursuant to this Executive Order, including but not limited to updating 405 IAC 2-3.3-3. These corrective actions shall include:
    - a. For the first violation, notice to the hospital that includes a description of the standard that was not met and an explanation of why the hospital did not meet the standard, notice that a second finding on noncompliance will result in a requirement that the hospital's applicable staff participate in mandatory training on hospital presumptive eligibility rules and standards that is performed by the Office, and a description of the available appeal procedures that the hospital may use to dispute the finding of a violation;
    - b. For the second violation, notice to the hospital that includes a description of the standard that was not met and an explanation of why the hospital did not meet the standard, notice that the hospital's applicable staff must participate in mandatory training on hospital presumptive eligibility rules and standards that is performed by the Office, information concerning the date, time, and location of the training by the Office, a description of the available appeal procedures that the hospital may use to dispute the finding of a violation, and notice that a third violation by the hospital of a presumptive eligibility standard within a twelve (12) month period from the second violation will result in the hospital no longer being qualified to make presumptive eligibility determinations; and
    - c. For the third violation, notice to the hospital that includes a description of the standard that was not met and an explanation of why the hospital did not meet the standard, a description of the available appeal procedures that the hospital may use to dispute the finding of a violation, and notice that, effective immediately from receipt of the notice, the hospital is no longer qualified to make presumptive eligibility determinations for the Medicaid program.
  8. The Office shall take all necessary steps to establish appeals procedures for hospitals to dispute the finding of a violation of performance standards established pursuant to this Executive Order.
  9. The Secretary of Family and Social Services Administration shall provide quarterly progress reports to the Governor until the directives herein have been fully implemented.



IN TESTIMONY WHEREOF, I,  
Mike Braun, have hereunto set my hand  
and caused to be affixed the Great Seal  
of the State of Indiana on this 15th day  
of April, 2025.

*Mike Braun*

Mike Braun  
Governor of Indiana

ATTEST: *DIEGO MORALES*  
Diego Morales  
Secretary of State