



Mike Braun
Governor
Lindsay M. Weaver, MD, FACEP
State Health Commissioner

Indiana Department of Health Strategic Spending Reduction Plan

The Indiana Department of Health (IDOH) is focused on the long term, financial stability of the agency and the state. The agency is committed to working closely with the Office of Management and Budget to ensure proper fiscal management of state resources.

How will IDOH's spending plan achieve the reserve target?

IDOH will continue to practice sound financial discipline by tracking expenditures to budget throughout the year. This is accomplished through program and finance partnerships. Programs and finance communicate regularly through our monthly appropriation review process, grant management collaboration, and the state procurement process. These constant touchpoints allow for communication between the areas to ensure the agency stays on track.

Budget risks are being tracked with thoroughly planned solutions. A commitment has been made to ensure that non-budgeted items are kept to a minimum to ensure resources can be used according to the appropriation.

This will be a challenging fiscal year to meet the main operating fund reserve target. More than 80% of the fund's total expenditure is related to FTE costs. These costs will have to be reduced to take into account an increased reserve, increased Statewide Cost Allocation Plan (SWCAP) charges. In addition to these known reduction needs, IDOH is seeing indirect costs impacted from a decrease in federal funding. IDOH will continue to prioritize spending on providing quality, comprehensive services to Hoosiers.

What is IDOH's plan to comply with FMC 1.2?

As stated previously, IDOH finance and program staff meet monthly, which allows for multiple levels of oversight to keep funds within the spend plan. IDOH and the State Budget Agency also meet regularly to ensure all state oversight requirements are met. Internally, Senior Leadership is updated on finances monthly to ensure program compliance and the CFO meets with the Commissioner regularly to make sure there is alignment at the highest level. IDOH is also releasing in FY26, a fiscal dashboard that allows all programs to track their fund or grant spends.

To **promote, protect, and improve** the health and safety of all Hoosiers.



This will assist in the program and fiscal staff reviewing all revenues and expenditures.

Internally, IDOH has designated an employee to be the agency's internal controls officer. This person will work closely with the Office of Management and Budget and the Centralized Risk and Security Management Process to help improve agency processes leading to more sound programmatic management.

How is the agency identifying cost savings?

Each commission within IDOH has increased its focus on optimizing both state and federal funding. This is being done by doing a systematic review of programming and ensuring it aligns with the administration's vision for public health.

The agency is committed to identifying and addressing problems early to minimize any negative impact it could have on the IDOH or the state. This includes known financial stressors that will occur in the next fiscal year. Potential solutions to some of these factors, while maintaining core public health services, include a systematic review of shared services and ensuring they are funded at the proper level, reducing a dependency on contractors, and cutting back on non-necessary spending.

What opportunities does IDOH have to prioritize federal spending over state funding?

Because almost two-thirds of the IDOH's funding is federal, leveraging a grant's funding to its fullest has been a practice for quite some time. This is especially necessary as many of the grants come with specific requirements on spend and tracking. However, the state of federal funding opportunities has led to challenges that the agency has met head on. The finance office has been reviewing expenses on state funds to ensure that they would not be more appropriate on a federal fund. The programs have committed to collecting indirect costs to offset state expenses associated with their grants. IDOH also utilizes the Public Health Infrastructure Grant to support staffing, which has been key in reducing general fund dependence.

What anticipated federal grant opportunities, that include a state match, are available to the agency through June 30, 2026?

IDOH plans to continue pursuing all grant opportunities that can further enhance the agency's ability to provide public health services to Hoosiers. See [Appendix A](#) for a full list of grants with state match, but some key opportunities regardless of match that will be utilized by the agency into FY26 are the Title V Maternal and Child Health Block Grant, Titles XVIII and XIX for



healthcare licensing, surveying, and complaint monitoring, SNAP-Ed, and the Public Health Infrastructure Grant.

Please provide the agency's staffing plan.

IDOH has been thoughtful and strategic in aligning the agency's organizational structure with its priorities to streamline services to the state. This has allowed a focus to be put on each position and resulted in careful consideration of the necessity of that position to further the improvement of public health within the state. Each vacancy must be reviewed and supported by senior leadership; this ensures alignment with spending and agency need. See [Appendix B](#) for an organizational chart of leadership positions.

Please provide an analysis of open contracts.

Senior Leadership continues to evaluate every contract to ensure the services being provided are an appropriate return on resources. Active negotiations through a partnership with IDOA have led to pushback on increases and, when necessary, putting services back out for bid to ensure the Hoosiers are getting the best services for the best price. All IDOH contracts are available on the transparency portal.

What are the agency's anticipated procurement and technology needs through June 30, 2026, including any anticipated new procurements or contract renewals?

Technology and data driven decisions have become a focus for the department. Some of the key technology systems the agency utilizes are the IDOH Gateway, MyVaxIndiana, and National Electronic Disease Surveillance System. Upcoming procurements to further data driven decision making in the agency include a MCH Data System, Immunization Information System, and Healthcare Regulation Technology System. More information on these systems or other systems IDOH utilizes can be made available upon request.

If applicable, an analysis of the agency's capital plans.

IDOH does not manage any of its own capital or utilize state capital dollars.

Any anticipated exceptions to FMCs or state policies, along with the justification for the requested exception.

See appendices [C](#) and [D](#) for submitted exemption requests.



To incorporate the five percent reserve in the Medicare Medicaid Certification fund and SWCAP in the Main Operating fund, IDOH would need to spread these reductions across the agency because further spending reductions year over year would not be feasible in these two funds. As stated earlier, the agency is committed to maintaining core public health services to Hoosiers. However, as resources are reduced it becomes more difficult to deliver those services in a meaningful way.

People are IDOH's most valuable resource in providing services to the community, but also its largest expense. The agency has been and will have to continue to take a hard look at and be as strategic as possible with staffing levels going into FY26. This will need to continue with increased scrutiny to incorporate funding reductions at both the state and federal levels. Cutting an additional \$1.8M to absorb these exemptions being denied would further exacerbate the strain on staffing and have a negative impact on the services the agency can provide for Hoosiers.



Appendix A: Grants with State Match

Project Assigned	Department Assigned	Funding Agency	Award Amount	Match Amount - Cash	Project Start Date	Project End Date
2022 Indiana Cancer Prevention and Control - FY22	400 - IDOH - Chronic Disease Primary Care Rural Health	U.S. Department of Health and Human Services	\$2,807,302.91	\$157,990.63		
2024 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations FY 2022-2027	400 - IDOH - Chronic Disease Primary Care Rural Health	U.S. Department of Health and Human Services	\$3,577,717.01	\$200,000.00	06/30/2022	06/29/2027
State Office of Rural Health (SORH) '24'-25 (Year 4) - FY 2024	400 - IDOH - Chronic Disease Primary Care Rural Health	U.S. Department of Health and Human Services	\$223,410.00	\$670,230.00	07/01/2021	06/30/2026
2025 Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT) - FFY 2025	400 - IDOH - Consumer Services and Healthcare Req.	DHHS Centers for Medicare & Medicaid Services	\$150,000.00	\$150,000.00	10/01/2024	09/30/2025
Substate Transfer- IN Family and Social Services Administration - Title XIX - 00400 - FY25	400 - IDOH - Consumer Services and Healthcare Req.	Department of Health & Human Services	\$8,477,248.00	\$2,150,000.00	07/01/2023	06/30/2025



Ryan White HIV/AIDS Program (RWHAP): HIV Care Grant Program: Part B States/Territories Formula and AIDS Drug Assistance Program (ADAP) Formula and ADAP Supplemental Awards - FY2025	400 - IDOH - HIV STD and Viral Hepatitis	U.S. Department of Health and Human Services	\$12,500,000.00	\$7,080,704.00	04/01/2022	03/31/2027
Substate Transfer- IN Family and Social Services Administration - Children's Health Insurance Program (CHIP MOU #54969 AM1) - 00400- FF24	400 - IDOH - Lead and Healthy Homes	Department of Health & Human Services	\$2,247,300.00	\$712,399.72		
Title V Maternal & Child Health (MCH) Block Grants to States 2024	400 - IDOH - Maternal & Child Health (MCH)	HHS-HRSA	\$12,714,489.00	\$9,535,866.75	10/01/2023	09/30/2025
Title V Maternal & Child Health Block Grant to States FY 25	400 - IDOH - Maternal & Child Health (MCH)	Department of Health & Human Services	\$6,778,544.00	\$5,083,908.00	10/01/2024	09/30/2026
Substate Transfer- IN Family and Social Services Administration - Medicaid Administration (MOU #72577, 75%-25%) - 00400 - FFY25	400 - IDOH - Maternal & Child Health (MCH)	Department of Health & Human Services	\$234,000.00	\$78,000.00		



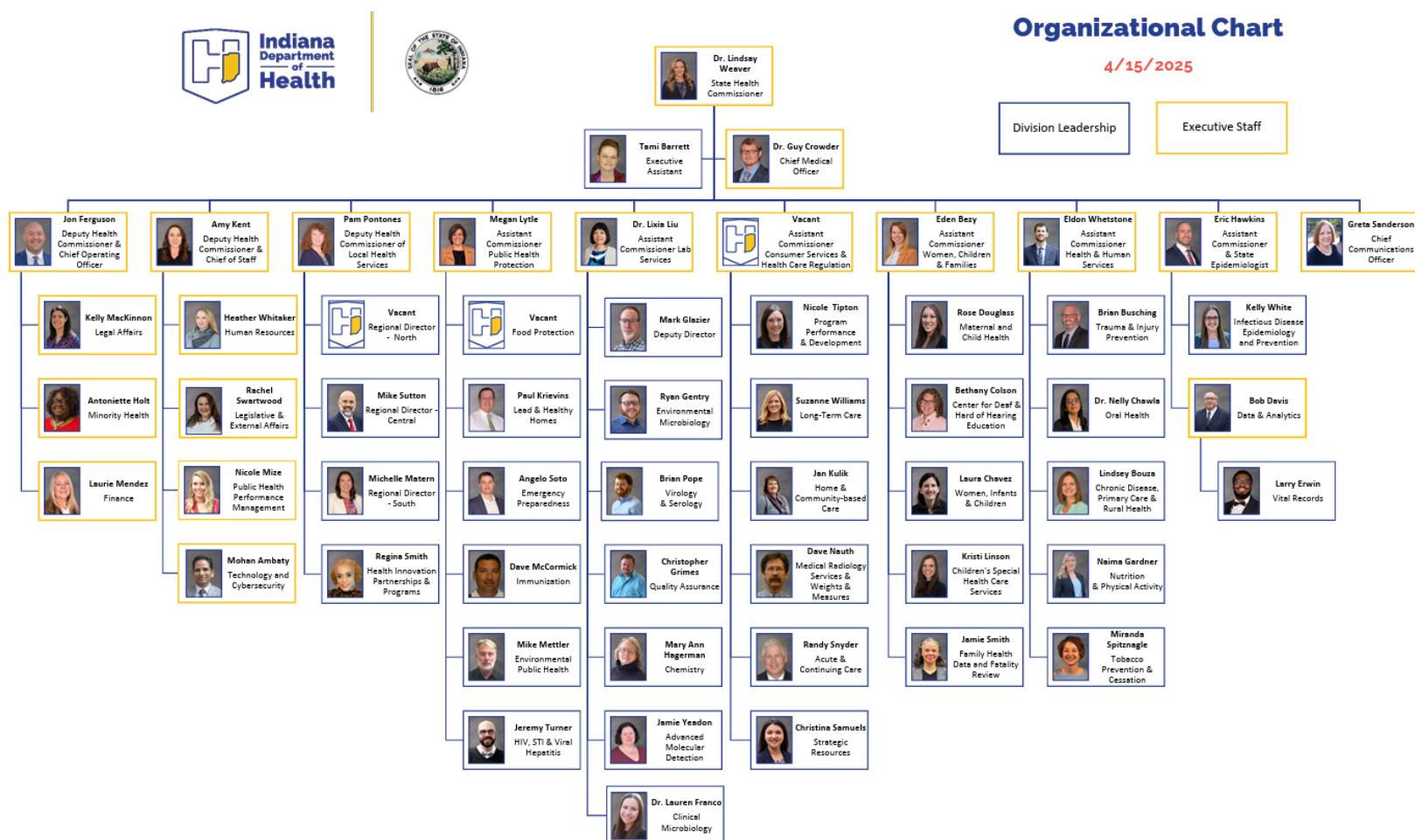
Substate Transfer - IN Family and Social Services Administration - Medicaid Administration (MOU #71736, 50%-50%) - 00400 - FFY25	400 - IDOH - Maternal & Child Health (MCH)	Department of Health & Human Services	\$1,350,000.00	\$1,350,000.00		
Substate Transfer - IN Family and Social Services Administration- Medicaid Administration (MOU #72577, 90%-10%) - 00400 - FFY25	400 - IDOH - Maternal & Child Health (MCH)	Department of Health & Human Services	\$1,836,000.00	\$204,000.00		
Farm to School Grant Program (Part E): State Agency Grants - FY 2023	400 - IDOH - Nutrition and Physical Activity	U.S. Department of Agriculture	\$478,595.00	\$50,000.00	07/26/2023	06/30/2025
Substate Transfer- IN Family and Social Services Administration - Children's Health Insurance Program (CHIP MOU #72585) - 00400- FF24	400 - IDOH - Trauma and Injury Prevention	Department of Health & Human Services	\$650,000.00	\$206,051.63		
2024 Traumatic Brain Injury State Partnership - FY24	400 - IDOH - Trauma and Injury Prevention	U.S. Department of Health and Human Services	\$200,179.00	\$100,090.00	08/01/2021	07/31/2026
Farmer's Market Nutrition Program - Admin - FFY 2023	400 - IDOH - Woman Infants	U.S. Department of Agriculture	\$20,776.09	\$8,904.04		



	and Children (WIC)					
The Emergency Food Assistance Program (TEFAP) - Admin - FFY 2024	400 - IDOH - Woman Infants and Children (WIC)	U.S. Department of Agriculture	\$82,183.40	\$70,413.00		
The Emergency Food Assistance Program (TEFAP) - Admin - FFY 2025	400 - IDOH - Woman Infants and Children (WIC)	US Department of Agriculture	\$35,000.00	\$35,000.00	10/01/2024	09/30/2025
Farmer's Market Nutrition Program - Admin - FFY 2025	400 - IDOH - Woman Infants and Children (WIC)	US Department of Agriculture	\$54,980.00	\$17,142.85	10/01/2024	09/30/2025



Appendix B





Appendix C

Medicare – Medicaid Certification Fund 5% Reserve Exemption Request - Approved

The Indiana Department of Health (IDOH) would like to request an exemption to the mandatory five percent reserve for the Medicare – Medicaid Certification fund.

IDOH utilizes the resources in this fund for carrying out the licensing and surveying of healthcare facilities responsibilities as the designated state surveying agency for the Centers for Medicare and Medicaid Services (CMS). IDOH licenses and conducts surveys of approximately 173 hospitals, 157 ambulatory surgery centers, 225 residential care facilities, 246 home health agencies, 97 hospice agencies, 43 blood centers, seven birthing centers, and approximately 3,000 personal care services agencies, as well as makes recommendations on certifications to CMS for approximately 510 nursing homes, 6,900 laboratories, 161 end stage renal disease facilities, 46 outpatient rehabilitation facilities, 151 rural health clinics, two transplant programs, 11 portable X-ray suppliers, one organ procurement organization, 156 federally qualified health centers, one artificial insemination facility, 43 blood centers, 94 out of state blood centers, three out of state mobile health care entities, and 11 psychiatric residential treatment facilities. A total of 28 different types of acute care healthcare facilities are surveyed under various state and federal laws.

To accomplish this work, IDOH primarily utilizes dollars from the state fund as well as federal dollars from Title 18 (T18), and Title 19. The fund's appropriation level plus the amount received through grants is not at a level that can support all the necessary actions to ensure the agency meets federal requirements. Our total spend for FY24 and projected spend in FY25 is approximately \$25.9M each year across the three funding sources, but IDOH only receive approximately \$22.6M in FY24 and \$23.8M in FY25 (received \$1.2M in T18 supplemental funding). IDOH routinely requests additional T18 dollars from the federal government (\$3M in additional funding in most recent request), but usually does not receive any extra funding. This FY was the first year the agency received any supplemental funding, but it's not expected to continue. To meet the appropriation with a 5% reserve, IDOH wouldn't be able to accomplish what CMS deems as Tier 1 surveys in a timely manner, which could lead to them cutting agency funding to even lower levels.



Appendix D

Statewide Cost Allocation Plan (SWCAP) Exemption Request – Denied – Projected Spend - \$1.3M

The IDOH would like to request an exemption from the Statewide Cost Allocation Plan (SWCAP) for FY26 for our main operating fund. The projected total spend for our main operating fund in FY25 is approximately \$39M (\$30M appropriation + \$9M in indirect costs collected). In FY26, IDOH plans on decreasing spending by \$1.5M to meet the 5% reserve as well as a decrease in indirect costs collected because of a decrease in grant dollars for the agency. IDOH is bracing for a potential 20% reduction in grant dollars that would correlate to about \$1.8M less in indirect costs. The SWCAP charge for FY25 was calculated at \$1.3M and because it is two years in arrears and personnel expenses increase from \$23.2M in FY23 to \$27.5M in FY24, the expected FY26 charge would be closer to \$1.5M assuming the rate stays the same and is not increased again. Decreasing the spend by \$3.3M in our main operating fund and balancing reductions in other state funds and grants while sustaining core services will be challenging, so the ask that IDOH not be charged for SWCAP in FY26.



State of Indiana

State Budget Agency
State House #212
Indianapolis, IN 46204
317-232-5610

Mike Braun, Governor

Chad Ranney, Director

Approved Fiscal Year 2026 Strategic Spending Reduction Plan

Agency Name: Indiana Department of Health

Pursuant to applicable state budgeting and financial management guidelines, the undersigned hereby affirm that the Fiscal Year 2026 Strategic Spending Reduction Plan submitted for the above-named agency has been reviewed and is approved for implementation. This approval signifies the plan submitted is in alignment with agency priorities, applicable legal requirements, and available funding levels.

Chad E. Ranney

Chad E. Ranney

State Budget Director

Date: 8/27/25

Gloria Sachdev

Gloria Sachdev

Secretary of Health & Family Services

Date: 8/28/25

Lindsay Weaver

Lindsay Weaver, MD, FACEP

State Health Commissioner

Date: 8-26-25

Ensuring that Indiana's priorities are funded today and tomorrow.