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Indiana Family and Social Services Administration

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The Monthly Medicaid Financial Report for June 2026 was released today.

Note to Readers

The forecasted monthly Medicaid expenditures, enrollment and funding are based on the December 2025 Medicaid forecast, which considered data through September 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 June 2026, Medicaid enrollment across all programs and delivery systems totaled 1,514,649 individuals, which is 269,879 (15.1%) below the forecasted amount. Compared to the actual enrollment in June 2025 of 1,857,239, enrollment is down 342,590. Year-to-date average monthly enrollment is 292,494 (14.6%) below the average monthly enrollment year-to-date in June 2025. Average monthly enrollment year-to-date (YTD) for SFY 2025 through June was 1,998,508.

Expenditures

- Medicaid expenditures YTD through June totaled $19.7B, which is $834.1M (4.1%) below the estimated amount in the December 2025 Medicaid forecast and $406.0M (2.0%) below expenditures YTD in June 2025.

- 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 YTD are $492.6M (3.3%) below the estimated amount in the December 2025 Medicaid forecast.

- SFY 2026 managed care expenditures YTD are $156.9M (6.6%) above expenditures YTD in June 2025, driven primarily by higher risk corridor payments and MCO Performance Payments, and partially offset by lower

Capitation Payments due to lower enrollment in Health Indiana Plan (HIP), Hoosier Healthwise (HHW) and PathWays (PW).

- 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. 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 $60.9M. Primary drivers include negative variances being seen in State Plan service expenditures. HCBS Waiver services overall have a favorable variance to forecast of $48.3M largely driven by the lower than forecasted expenditures under Health and Wellness Waiver, Community Integration and Habilitation Waiver and Money Follows the Person (MFP).

- State Plan Services expenditures reflect an unfavorable variance to the forecast of $18.8M with the main drivers being higher than forecasted pharmacy, physician services and DME and medical supplies and offset partially by lower than forecast amounts in home health services and mental health rehabilitation services.

- Manual expenditure includes 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. Due to federal approvals occurring later than anticipated, lower than forecasted provider supplemental payments for Nursing Facility UPL payments are the primary driver of the SFY2026 positive variance to forecasted expenditures offset partially by higher than forecasted amounts in DSH and Graduate Medical Education supplemental payments.

- A negative variance to forecast in the Other Expenditures category is primarily driven by pharmacy rebate collections being lower than forecasted, which provides an offset for the cost of drugs provided to Medicaid recipients.

- 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 Waivers and Nursing Facility UPL Payments while offset partially with lower Pharmacy Rebates, higher Managed Care and higher DSH Supplemental Payments.

Funding

- General fund usage year-to-date through June 2026 totaled $4.5B, which represents approximately 23% of the overall funding for Medicaid Assistance expenditures while 68% comes from federal funds and 9% comes from Intergovernmental transfers and provider taxes.

- SFY 2026 ended with a funding surplus of $310.8M which is $3.3M below the December 2025 forecasted amount.