

BILL SPOTLIGHT: Indiana Senate Bill 1

Indiana's Implementation of the Provisions of the One Big Beautiful Bill

Status: Reported favorably out of House Ways and Means Committee, February 17, 2026

Prime sponsors: Sen. Garten, Sen. Mishler, and Sen. Charbonneau

Summary

Indiana's [Senate Bill 1](#) would effectively implement key policies contained in the One Big Beautiful Bill (OB BB). These reforms include refocusing Medicaid on the truly vulnerable, implementing work and community engagement requirements, prioritizing rural communities for new federal funding, and promoting improved nutrition within the Supplemental Nutrition Assistance Program (SNAP).

Key Provisions of the Legislation

- Requires redeterminations for able-bodied, working-age adults every six months, and allows for more frequent determinations.
- Builds on existing Indiana Medicaid integrity policies by expanding cross-checks with federal databases, particularly to identify individuals enrolled in multiple states.
- Aligns Indiana code with federal reforms by restricting retroactive eligibility to one month for expansion enrollees and two months for all other enrollees.
- Establishes more stringent citizenship verification requirements and expands income reporting for prospective Medicaid enrollees.
- Strengthens existing Indiana reforms on hospital presumptive eligibility by requiring citizenship reporting on presumptive eligibility enrollment applications.
- Implements work and community engagement requirements more effectively by banning self-attestation of compliance and restricting exemptions.
- Subjects the Rural Health Transformation Fund to legislative appropriation and review and imposes new transparency requirements on the state health agency.
- Prohibits SNAP funds from being used to purchase candy or soda.

Expected Effects

- Improve health access for the most vulnerable by prioritizing them.
- Reduce federal and state taxpayer spending by removing ineligible enrollees from the program.
- Promote upward mobility, work, and civic engagement to improve well-being.
- Improve health outcomes by encouraging work and community engagement and reducing junk food consumption.
- Ensure that the Rural Health Transformation Fund has effective state oversight.

Policy Rationale

Perverse incentives and structural flaws in Medicaid — particularly following passage of the Affordable Care Act — divert resources from the truly vulnerable at significant cost to taxpayers. Weak program integrity exemplifies these flaws. States often fail to effectively cross-check enrollees across states, programs, and available databases, allowing ineligible individuals, including those enrolled in multiple states, to remain in



the program. In 2025, the Centers for Medicare and Medicaid Services (CMS) [identified](#) 2.8 million duplicate Medicaid enrollees. Paragon [estimates](#) that 6.6 million individuals were improperly enrolled as Medicaid expansion enrollees in 2024.

Hospital presumptive eligibility and relaxed citizenship verification further contribute to improper enrollment. Presumptive eligibility allows hospitals to provide services based on the assumption that a patient qualifies for Medicaid and then bill the program for those services. Taxpayers must cover these costs even though roughly 70 percent of individuals deemed presumptively eligible are ultimately found [ineligible](#). Meanwhile, in just six states, spending on undocumented immigrants [exceeded](#) \$1 billion during 2024 and 2025. The number of enrollees unable to prove their legal status [quadrupled](#) between 2019 and 2023.

As government welfare programs, including Medicaid, have expanded over recent decades, labor force participation among able-bodied, working-age adults has declined. In 2024, fewer than two workers financed each Medicaid recipient, [compared](#) to more than five workers per enrollee in 1988.

Good nutrition is increasingly recognized as a critical component of overall health. Yet welfare programs such as SNAP subsidize the consumption of junk foods, including candy and soda. As a result, taxpayers effectively subsidize the cost of chronic disease twice – first in its manifestation and then in its treatment.

The OBBB advanced key reforms to address these challenges. It required more frequent eligibility verification for able-bodied, working-age enrollees, expanded cross-checks with federal databases, established work and community engagement requirements of at least 80 hours per month, and prioritized rural communities through the Rural Health Transformation Program (RHTP).

Indiana's Senate Bill 1 effectively implements many of these reforms while also seizing opportunities to build upon them. Indiana adopted several Medicaid program integrity measures, such as cross-checks with federal databases, before they were required by the OBBB. As a result, the Hoosier State was already ahead of the nation in these areas, making it unnecessary to include those provisions in this specific legislation.

Senate Bill 1 reduces loopholes in the work and community engagement requirements, promotes health by ending government-subsidized junk food purchases in SNAP as part of the RHTP, and strengthens existing integrity reforms, such as a three-strikes approach to presumptive eligibility. It also ensures that RHTP funds are directed to rural communities as intended by imposing enhanced accountability and transparency requirements. Together, these reforms represent an important step toward preserving Medicaid and refocusing it on the truly vulnerable.