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Insights

Take Five: 5 Things You Need to Know About Indiana Government - September 2026

September 15, 2026

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1. Garten Expected to Lead New-Look Indiana Senate in 2027

During a retreat last month, Republican Senators endorsed Sen. Chris Garten (R-Charlestown) to succeed Sen. Rod Bray (R-Martinsville) as president pro tempore. Sen. Bray, who has led the caucus since 2018, announced in July that he would resign from the leadership position, though he will remain in that role until a formal vote is taken after the November elections. And while a challenger to Sen. Garten could emerge prior to November, that is not expected as of the time of this publication.

Sen. Garten had previously served as Majority Floor Leader until resigning earlier this summer, stating that he no longer had a "seamless alignment" with the current leadership, a direct result of the continued fallout from last year's failed effort to redraw congressional districts. In announcing the endorsement, Sen. Garten said that the Senate will approach the upcoming budget session by "scrutinizing every dollar, safeguarding taxpayer resources, and executing a bold agenda that keeps Indiana strong, free, and prosperous." He also announced that he will appoint Senator Eric Koch (R-Bedford) as Majority Floor Leader once he assumes the position.

In addition to the change at the top, the Indiana Senate as a whole will have a significantly different look next year with at least ten new members, the result of retirements and incumbent losses in the primary. There will be at least eight new committee chairs, and perhaps more if the new leadership makes more wholesale changes or if more incumbents fall in November.

2. Family and Social Services Administration issues the "Mother of All Procurements"

Indiana recently released the largest procurement opportunity in state history by issuing a comprehensive Request for Proposal ("RFP") for the state's Medicaid program. Nicknamed the "Mother of All Procurements" by the Secretary of the Family and Social Services Administration ("FSSA"), the state is seeking multiple Managed Care Organizations ("MCOs" or health insurance companies) willing to administer all four of Indiana's Medicaid managed care programs simultaneously: the Healthy Indiana Plan ("HIP"), which serves able-bodied adults age 19 – 64; Hoosier Healthwise, which services children and pregnant women with low incomes; Hoosier Care Connect, serving blind or disabled adults under age 65 who are not eligible for Medicare, and Indiana PathWays for Aging, which serves Hoosiers age 60 and older who need long-term care, including nursing facility services and home and community based services. Historically, each program has been bid out separately, resulting in a different set of MCOs for each program. Under the Mother of All Procurements, each selected MCO will service all four programs.

The massive rebid also aligns programs with recently announced policy and programmatic changes. For instance, the FSSA Secretary has dubbed the new version of HIP as “HIP 3.0,” which introduces enhanced cost sharing for members (rather than the monthly “POWER account contributions” under former versions of the program) and institutes work and community engagement requirements. In addition, pursuant to a recently enacted state law, the PathWays program limits managed care enrollment to the first one hundred days a member resides in a skilled nursing facility, at which point they will revert to a fee-for-service model.

While many nuances of the RFP are still being analyzed, respondents have until November 6 to respond. Don’t hesitate to reach out to any member of our governmental affairs practice group if you have any questions about the Mother of All Procurements, which will undoubtedly shape Indiana’s Medicaid landscape for years to come.

3. Legislative Study Committee Examines Jail and Prison Capacity Issues

The Interim Study Committee on Corrections and Criminal Code, chaired by Rep. Wendy McNamara (R-Evansville), met last month to discuss current sentencing trends and how they impact jail capacity at the state and county level. This year’s statutorily mandated annual study focused on how recent cuts to community corrections will impact Indiana’s corrections system. Community Corrections funding is projected to fall 27% from 2025 levels.

Officials representing the Indiana Judges Association, probation, community corrections, the Indiana Sheriffs’ Association, and public defenders, all presented on concerns about impacts of these cuts to the system on jail numbers, recidivism and capacity in the system today.

A representative from the Indiana Department of Corrections (“IDOC”) noted Indiana’s rising prison population is related to increased sentencing and a growing number of Level 6 felons serving their sentences at the IDOC due to a change in state law. Committee members pressed the witness about how Community Corrections funding cuts made by the IDOC would further exacerbate these trends and voiced concerns about the IDOC’s decision to cut these grant awards. Indiana Judges Association President, Judge Mark Spitzer, highlighted the need for a focus on crime prevention, touting the state's 40 certified evidence-based pretrial programs, the value of problem-solving courts in reducing recidivism rates, and called for sustained funding of substance-abuse and mental-health treatment as alternatives to incarceration.

Sheriffs' Association Executive Director Steve Luce described county jails absorbing the overflow, with long waits for hospital beds, mental health evaluations, and competency restorations, and pressed for higher IDOC per diem reimbursement. Finally, the probation and community corrections associations presented data, noting that community corrections programs supervise over 100,000 people daily, representing approximately 80% of the Department of Corrections’ bed capacity. They further outlined the impact of the reduction in community corrections grant dollars including closure of residential programs, reduction or elimination of programming, fewer peer recovery and treatment services, reduced drug screening frequency and higher daily populations in jails and prisons.

The committee adopted a final report without any formal findings or recommendations, but you can expect legislation next session focused on restoration of community corrections grant dollars and continued funding for behavioral health treatment options.

4. Recent Changes at the Indiana Utility Regulatory Commission May Impact Affordability

This year has brought many significant changes to the Indiana Utility Regulatory Commission (IURC). Most notably, the makeup of the commission has changed, and four of the five commissioners that have been appointed this year have limited or no experience in the utility space. The IURC is on its third different chair

since January, after having had only four different chairs in the previous twenty-one years.

This has created significant uncertainty, especially in the electricity sector, which is experiencing increased demand and transition. Regulatory certainty is particularly important to the regulated business community. It impacts how they plan, operate, and invest in their companies to meet customer needs. However, more than just businesses and consumers are paying attention. The Wall Street research firms that rate market risks are paying attention too. Two of the firms have downgraded Indiana's regulatory rating for political independence from average to below average. If the uncertainty continues, this could trigger credit rating downgrades for Indiana utilities, which would affect how they borrow money and at what cost. This will have an impact on affordability for every Hoosier utility and ratepayer. We will need to stay tuned to see if Indiana makes changes that will make for a more stable regulatory environment.

5. Election Update

National policies affecting affordability, including tariffs, inflation, and utility costs, along with President Trump's low approval ratings, appear to be having some impact on Indiana races at this point in the election cycle. A prominent national nonpartisan political analyst has moved the Indiana Secretary of State race from "likely Republican" to "toss-up" last week, and incumbent Republican Congresswoman Victoria Spartz (IN-5) is facing a vigorous challenge from State Sen. J.D. Ford (D). In the state house, House Democrats are seeking four flips to break the Republican supermajority, while Senate Republicans are defending against Senate Democrat attempts to flip at least two seats in that chamber. Tune in to the October edition of Take 5 for in-depth analysis of Indiana's November elections.

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