



STATE OF INDIANA

Eric J. Holcomb
Governor

STATE BUDGET AGENCY

212 State House
Indianapolis, IN 46204-2796
317-232-5610

Zachary Q. Jackson
Director

MEMORANDUM

DATE: June 30, 2020

TO: Tera Klutz, Auditor of State

FROM: Zac Jackson, State Budget Director *ZQJ*

SUBJECT: Medicaid Contingency and Reserve Account

Consistent with IC 4-12-1-15.5, please transfer \$577,600,000 from the Medicaid Contingency and Reserve Account (17220) to the Medicaid Assistance fund (15050) effective June 30, 2020. According to 4-12-1-15.5(a):

The Medicaid contingency and reserve account is established within the state general fund for the purpose of providing money for timely payment of Medicaid claims, obligations, and liabilities. Money in the account must be used to pay Medicaid claims, obligations, and liabilities. The account shall be administered by the budget agency.

The economic impacts from Coronavirus (COVID-19) and our nation's mitigation efforts have put significant strain on the State's financial resources. General Fund revenues are currently expected to be approximately \$1.4 billion below the December 20, 2019 forecast for FY 2020 with large misses anticipated for FY 2021 as well. In order to ensure the State has sufficient cash in the General Fund to support the Medicaid program and make timely payments, the State Budget Agency is requesting that the balance of the Medicaid Contingency and Reserve Account (\$577,600,000) be transferred to the Medicaid Assistance fund.