



DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Department of Health and Human Services (HHS) is responsible for protecting the health and well-being of Americans through its research, public health, and social services programs. The President's 2025 Budget for HHS: expands access to quality, affordable healthcare while lowering costs; dramatically improves access to early care and learning; advances the Biden Cancer Moonshot; transforms behavioral healthcare; enhances public health infrastructure and capabilities to improve health outcomes; bolsters maternal health; advances health equity; and transforms child welfare.

The Budget requests \$130.7 billion in discretionary budget authority for 2025, a \$2.2 billion or 1.7-percent increase from the 2023 level. This request includes appropriations for the 21st Century Cures Act and the program integrity cap adjustment.

The President's 2025 Budget:

Reduces Drug and Other Healthcare Costs for All Americans

- **Negotiates Lower Drug Prices and Expands Access to Prescription Drugs.** Thanks to action taken by this Administration, millions of seniors are saving money on their drug costs, and the Administration announced the first 10 drugs for which prices will be negotiated by Medicare as it continues implementation of the Inflation Reduction Act. The Budget builds on this success by: significantly increasing the pace of negotiation; bringing more drugs into negotiation sooner after they launch; expanding the Inflation Reduction Act's inflation rebates and \$2,000 out-of-pocket prescription drug cost cap beyond Medicare and into the commercial market; and by taking other steps to build on the Inflation Reduction Act drug provisions. In addition, the Budget extends the \$35 cost-sharing cap for a month's supply of a covered insulin product to the commercial market. For Medicaid, the Budget includes proposals to ensure Medicaid and the Children's Health Insurance Program (CHIP) are prudent purchasers of prescription drugs, such as authorizing HHS to negotiate supplemental drug rebates on behalf of interested States in order to pool purchasing power. The Budget also limits Medicare Part D cost-sharing for high-value generic drugs, such as those used to treat hypertension and hyperlipidemia, to no more than \$2 for Medicare beneficiaries. To speed development and increase access of safe and affordable biosimilar medicines, the Budget streamlines and modernizes the Food and Drug Administration's (FDA) premarket review.
- **Expands Access to Quality, Affordable Healthcare.** The President and Vice President believe that healthcare is a right, not a privilege. With enrollment in marketplace coverage at an all-time high, the Budget builds on the incredible success of the Affordable Care Act by making permanent the expanded premium tax credits that the Inflation Reduction Act extended and providing Medicaid-like coverage to individuals in States that have not adopted

Medicaid expansion, paired with financial incentives to ensure States maintain their existing expansions. Further, the Budget includes an allowance to ban unwarranted “facility fees” for telehealth and certain outpatient services in commercial insurance. The Budget also includes funding for continued implementation of the No Surprises Act, which protects Americans across the Nation from surprise medical bills. For Medicaid and CHIP, the Budget allows States to extend the existing 12-month continuous eligibility for all children to 36 months, and allows States to provide continuous eligibility for children from birth until they turn age six. Further, the Budget prohibits enrollment fees and premiums in CHIP. The President also supports eliminating Medicaid funding caps for Puerto Rico and other Territories while aligning their matching rate with States and moving toward parity for other critical Federal programs including Supplemental Security Income and the Supplemental Nutrition Assistance Program.

Honors America’s Commitment to Seniors and Americans in Need

- **Protects and Strengthens Medicare and Medicaid.** The Budget extends solvency of the Medicare Hospital Insurance (HI) trust fund indefinitely by ensuring that high-income individuals contribute their fair share and directing revenue from the Net Investment Income Tax into the HI trust fund as was originally intended. In addition, the Budget directs an amount equivalent to the savings from the Budget’s proposed Medicare drug reforms into the HI trust fund. The Budget proposes to limit the portion of Medicaid and CHIP managed care dollars spent on administration and incentivize more investments in quality healthcare services by establishing a medical loss ratio.
- **Protects Seniors’ Health and Dignity.** The Budget invests \$150 billion over 10 years to improve and expand Medicaid home and community-based services, which allow older adults and individuals with disabilities to remain in their homes and stay active in their communities, and improve the quality of jobs for home care workers. In addition, the Budget proposes to shift funding for nursing home surveys from discretionary to mandatory beginning in 2026, and increase funding to cover 100 percent of statutorily-mandated surveys, which would guard against negligent care and ensure that Americans receive high-quality, safe services within the facilities. The Budget also continues to build on the President’s commitment to protect the Nation’s seniors through a comprehensive agenda that: improves the safety and quality of nursing home care; addresses the backlog of complaint surveys from nursing home residents and their families; expands financial penalties for underperforming facilities; requires greater transparency of nursing facility ownership; and increases the inspection of facilities with serious safety deficiencies.

Invests in the Health and Well-Being of Families and the Next Generation

- **Strengthens Families—and the Economy—by Investing in High-Quality Child Care.** From the beginning of this Administration, the President and Vice President have been focused on child care costs as a critical challenge for families. When child care is reliable, high-quality, and affordable, parents can make ends meet, advance in their careers, and stay in the workforce. Children benefit from early childhood experiences that support healthy child development and provide opportunities to socialize with peers. The President is committed to providing relief to families and the Budget creates a historic new program under which working families with incomes up to \$200,000 per year would be guaranteed affordable, high-quality child care from birth until kindergarten, with most families paying no more than \$10 a day, and the lowest income families paying nothing. This would provide a lifeline to the parents of more than 16 million children, saving the average family over \$600 per month in care costs, per child. Parents would have the freedom to select a high-quality child care setting.

This investment could help hundreds of thousands of women with young children enter or re-enter the workforce more quickly. The President's Council of Economic Advisers found that recent Federal investments in child care have increased labor force participation among mothers with young children by roughly three percentage points, equivalent to over 300,000 more women in the labor force. The President's proposal would also ensure that early care and education workers receive fair and competitive pay. The Budget also provides \$8.5 billion for the Child Care and Development Block Grant, a 44-percent increase since 2021, which would continue to serve school-age children, while most children under age six would be served through the new program.

- **Builds a Strong Foundation for Families with Universal Pre-K and Head Start.** The Budget funds voluntary, universal, free preschool for all four million of the Nation's four-year-olds and charts a path to expand preschool to three-year-olds. High-quality preschool would be offered in the setting of the parent's choice—from public schools to child care providers to Head Start. In addition, the Budget increases Head Start funding by \$544 million to support the Administration's goal to reach pay parity between Head Start staff and public elementary school teachers with similar qualifications over time. Together these proposals would support healthy child development, help children enter kindergarten ready to learn, and support families by reducing their costs prior to school entry and allowing parents to work.
- **Supports Family Planning Services for More Americans.** Americans deserve access to the healthcare they need, including contraception and family planning services, which are essential to ensuring control over personal decisions about their own health, lives, and families. For more than 50 years, Title X family planning clinics have played a critical role in ensuring access to a broad range of high-quality family planning and preventive health services. Most Title X clients live in poverty and the uninsured rate of Title X users is twice the national average, making the Title X family planning program a critical part of the public health safety net. The Budget includes \$390 million, a 36-percent increase above the 2023 enacted level, for the Title X Family Planning program to increase the number of patients served to 3.6 million.
- **Reduces Home Energy and Water Costs.** The Budget provides \$4.1 billion for the Low Income Home Energy Assistance Program (LIHEAP). Reducing household energy and water costs continues to be a priority for the Administration, as reflected in the \$7 billion in additional funding the Administration has secured for LIHEAP since 2021. LIHEAP helps families access home energy and weatherization assistance—vital tools for protecting vulnerable families' health in response to extreme weather and climate change. As part of the Justice40 Initiative, HHS plans to continue its efforts to prevent energy shutoffs and increase support for households with young children and older people, especially those that have high energy burdens. The Budget also proposes to expand LIHEAP to advance the goals of both LIHEAP and the Low Income Household Water Assistance Program. Specifically, the Budget gives States the option to use a portion of their LIHEAP funds to provide water bill assistance to low-income households.
- **Advances Child and Family Well-Being in the Child Welfare System.** With the overarching goal of keeping families safely together, reducing the number of children entering foster care, and achieving better outcomes for children, the Budget proposes to expand and incentivize the use of evidence-based foster care prevention services. The Budget provides States with support and incentives to place more foster children with relatives or other adults who have an existing emotional bond with the children instead of in group homes and institutions, and provides additional funding to support youth who age out of care without a permanent caregiver. The Budget proposes to nearly double flexible funding for States through the Promoting Safe

and Stable Families Program, and proposes new provisions to expand access to legal representation for children and families in the child welfare system. The Budget provides competitive grants for States and localities to advance reforms that would reduce the overrepresentation of children and families of color in the child welfare system and address the disparate experiences and outcomes of these families. The Budget also respects the rights of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex individuals and provides more families with the support they need to remain safely together. In addition, the Budget provides \$195 million for States and community-based organizations to respond to and prevent child abuse.

- **Supports America’s Promise to Refugees and Care for Unaccompanied Children.** The Budget builds on the Administration’s October 2023 supplemental request and provides \$9.3 billion for the Office of Refugee Resettlement (ORR) to help rebuild the Nation’s refugee resettlement infrastructure and support the resettling of up to 125,000 refugees in 2025. The Budget also helps ensure that unaccompanied immigrant children receive appropriate support and services while they are in ORR’s care and are unified with relatives and sponsors as safely and quickly as possible. This funding would allow ORR to continue the programmatic improvements the Administration has made, including expanding access to counsel to help children navigate complex immigration court proceedings and enhancing case management and post-release services. In addition, the Budget includes an emergency contingency fund that would provide additional resources, beyond the \$9.3 billion, when there are unanticipated increases in the number of unaccompanied children.

Transforms Behavioral Healthcare

- **Invests in Behavioral Healthcare.** In 2022, almost a quarter of adults suffered from mental illness, 13 percent of adolescents had serious thoughts of suicide, and overdose deaths continued near record highs. As a core pillar of his Unity Agenda, the President released a national strategy to transform how to understand and address mental health in America—and the Budget makes progress on this agenda by improving access to care for individuals and communities. The Budget makes significant investments in expanding the 988 Suicide and Crisis Lifeline that is projected to respond to 7.5 million contacts from individuals in distress in 2025 alone. In addition, the Budget: expands mental healthcare and support services in schools; expands the Centers for Disease Control and Prevention’s (CDC) suicide prevention program to additional States, and tribal and territorial jurisdictions; increases funding for the Children’s Mental Health Initiative by \$50 million; doubles funding for the Mental Health Crisis Partnership Program; and invests in strengthening the behavioral health workforce—including integration into primary care settings. The Budget also expands access to behavioral health services through significant investments in Certified Community Behavioral Health Clinics and Community Mental Health Centers. In addition, the Budget provides \$1 billion to advance health information technology adoption and engagement in interoperability for certain behavioral health providers.
- **Expands Coverage of Behavioral Healthcare Services.** The Budget further builds on the President’s Unity Agenda by increasing access to behavioral health services through expanded coverage. For Medicare beneficiaries, the Budget ensures parity of coverage between behavioral and physical conditions, expands access to a broader range of behavioral health provider types, and reduces costs for patients receiving behavioral health services. The Budget also proposes to extend incentive payment programs for Medicare providers in areas with clinician shortages to a broader set of clinicians, including behavioral health clinicians. For people with commercial insurance, the Budget expands coverage of mental health benefits and strengthens the network of behavioral health providers.

- **Expands Access to Treatment for Substance Use Disorder.** The Administration has made historic advances in expanding access to treatment for opioid use disorder, including signing into law a bipartisan provision to expand the number of medical providers who can initiate buprenorphine treatment for opioid use disorder from 129,000 to nearly two million, a 15-fold increase that can expand treatment to rural and underserved areas. Funding for States, Territories, and Tribes through the Substance Use Prevention, Treatment, and Recovery Services Block Grant and the State Opioid Response grant program have grown by a combined seven percent since 2021, expanding access to prevention, harm reduction, treatment, and recovery support services nationwide. The Budget builds on these accomplishments by increasing funding for the State Opioid Response grant program, which has provided treatment services to over 1.2 million people and enabled States to reverse more than 500,000 overdoses with over nine million purchased overdose reversal medication kits. The Budget also invests in a new technical assistance center to strengthen health providers understanding and treatment of women’s mental health and substance use.

***Invests in Medical Innovation, Scientific Breakthroughs,
and the Treatments of Tomorrow***

- **Advances Progress toward Biden Cancer Moonshot Goals.** The President and First Lady reignited the Biden Cancer Moonshot to mobilize a national effort to end cancer as we know it—spurring tremendous action across the Federal Government and from the public and private sectors and building a strong foundation for the work ahead. To date, the Biden Cancer Moonshot has announced roughly 50 new programs, policies, and resources to address five priority actions including: improving access to cancer screening; understanding and addressing environmental and toxic exposures; making progress on cancer prevention; driving innovation to reach communities and individuals; and boosting support for patients, families, and caregivers. More than 100 private companies, non-profits, academic institutions, and patient groups have also stepped up with new actions and collaborations. The Budget makes significant investments to work toward the President and First Lady’s signature Biden Cancer Moonshot goal of reducing the cancer death rate by at least 50 percent over the next 25 years and improving the experience of people who are living with or who have survived cancer. These include an increase of more than \$2 billion across the National Cancer Institute, FDA, CDC, cancer projects at the Advanced Research Projects Agency for Health, and additional mandatory funds for the Indian Health Service (IHS) beginning in 2026.
- **Closes Research Gaps in Women’s Health.** The President and the First Lady launched the first-ever White House Initiative on Women’s Health Research, recognizing that women have been understudied and underrepresented in health research for far too long. The Initiative is working across Government to better integrate women’s health within the Federal research portfolio and catalyze significant private and philanthropic commitments to increase funding for women’s health research. The Administration proposes to transform the way the Government funds women’s health research at the National Institutes of Health (NIH), including by creating a new nationwide network of centers of excellence and innovation in women’s health. The Budget would also double existing funding for the Office of Research on Women’s Health at NIH. These new resources would make investments that maximize the ability to prevent, diagnose, and treat health conditions in women and ensure women get the answers they need when it comes to their health.

Advances Health Equity

- **Promotes Maternal Health and Health Equity.** The United States has the highest maternal mortality rate among developed nations, and rates are disproportionately high for Black, American Indian and Alaska Native, and rural women. Since 2021, funding to reduce maternal mortality has grown by over \$190 million, demonstrating this Administration's commitment to addressing needs in this area. The Budget continues this progress by including \$376 million, an increase of \$82 million above the 2023 enacted level to support the ongoing implementation of the *White House Blueprint for Addressing the Maternal Health Crisis*, launched by the Vice President, to reduce maternal mortality and morbidity rates, and address the highest rates of perinatal health disparities. The Budget expands Medicaid maternal health support services during the pregnancy and postpartum period by incentivizing States to reimburse a broad range of providers including doulas, community health workers, peer support initiatives, and nurse home visiting programs. In addition, the Budget builds on the success of the more than 40 States that answered the Vice President's call to extend Medicaid postpartum coverage by requiring all States to provide continuous Medicaid coverage for 12 months postpartum, eliminating gaps in health insurance at a critical time for all women.
- **Guarantees Adequate and Stable Funding for IHS.** The Administration is committed to upholding the United States' responsibility to tribal nations by addressing the historical underfunding of IHS. The enactment of an advance appropriation for 2024 for IHS was a historic and welcome step toward the goal of eventually securing adequate and stable funding for IHS that will provide needed improvements in access to care and the overall health status of American Indians and Alaska Natives. The Budget requests \$8 billion in discretionary resources in 2025, a 12-percent increase over the 2021 enacted level. Included increases are for clinical services, preventative health, facilities construction, contract support costs, and tribal leases. Beginning in 2026, the Budget proposes all resources as mandatory. Mandatory funding would: close longstanding service and facility shortfalls over time; improve access to high-quality healthcare; and fund key Administration priorities, such as the Biden Cancer Moonshot. The Budget also proposes to reauthorize and increase funding for the Special Diabetes Program for Indians, which has been critical in lowering the prevalence of diabetes in Indian Country.
- **Advances Rural Health.** With over 60 million Americans living in rural areas, the Budget invests in direct primary care and mental healthcare services, expanded infrastructure, and assistance for rural hospitals to remain open and provide high-quality services in these critical communities.

Protects and Strengthens Public Health and Health Infrastructure

- **Helps Communities Respond to and Recover from Gun Violence.** Gun violence is a significant public health problem in the United States and is the leading cause of death for children and teens. The effects of gun violence extend beyond victims and their families. Gun violence can overwhelm communities and lead to short- and long-term needs. The Budget invests a total of \$2.5 billion in discretionary and mandatory funds over 10 years in CDC to support an evidence-based community violence initiative. The initiative would address the causes of violence in communities and help reduce the health inequities that characterize such violence across the United States. The Budget also includes \$60 million for gun violence research across CDC and NIH.
- **Enhances Biodefense and Public Health Infrastructure.** Over the past three years, substantial progress has been made toward developing and implementing transformational

capabilities to increase the Nation's ability to respond to and prepare for emerging health threats. Building upon this progress, the Budget invests \$9.8 billion in both discretionary and mandatory Prevention and Public Health Fund funding, an increase of \$499 million over the 2023 enacted level, to bolster public health capacity that would enable CDC to better serve and protect the American public. These resources would continue to strengthen State, tribal, local, and territorial health departments, enhance public health data systems and collection, and improve the core immunization program. In addition, the Budget includes \$20 billion in mandatory funding for HHS public health agencies in support of the Administration's biodefense priorities as outlined in the 2022 *National Biodefense Strategy and Implementation Plan for Countering Biological Threats, Enhancing Pandemic Preparedness, and Achieving Global Health Security*.

- **Strengthens Domestic Medical and Food Supply Chains.** The Administration has made historic investments over the past three years to increase the resiliency of America's supply chains. Using Defense Production Act authorities, HHS expanded domestic manufacturing capacity of medical countermeasures to make access to lifesaving drugs and vaccines more reliable and quickly scalable to respond to future threats. The Budget builds on this progress by investing \$75 million in the Administration for Strategic Preparedness and Response to manufacture more essential medicines, medical countermeasures, and critical inputs in the United States and \$12 million to strengthen FDA's capacity to identify and address potential disruptions and shortage threats. The Budget also expands end-to-end supply chain visibility to priority FDA-designated essential medicines and devices to prepare for and mitigate potential shortages. The Budget institutionalizes HHS's supply chain resilience and shortage mitigation efforts in a new office to coordinate Department-wide activities, strategy, and guidance for drugs, biologics, medical devices, and critical foods.
- **Invests in the Treatment and Prevention of Infectious Diseases.** The Budget invests in the treatment and prevention of infectious diseases, including Hepatitis C, HIV, and vaccine-preventable diseases. The Budget proposes a national program to significantly expand screening, testing, treatment, prevention, and monitoring of Hepatitis C infections in the United States, with a specific focus on populations with high infection levels. To help end the HIV epidemic, the Budget eliminates barriers to accessing pre-exposure prophylaxis—also known as PrEP—for Medicaid beneficiaries and proposes a new mandatory program to guarantee PrEP at no cost for all uninsured and underinsured individuals and provide essential wrap-around services. The Budget also invests in State and local efforts to promote equity and protect civil rights through a new initiative to modernize outdated criminal statutes with a discriminatory impact on HIV-positive individuals. In addition, the Budget proposes a new Vaccines for Adults program to provide uninsured adults with access to routine and outbreak vaccines at no cost. The Budget also expands the Vaccines for Children (VFC) program to include all children under age 19 enrolled in CHIP and covers the vaccine administration fee for all VFC-eligible uninsured children.
- **Invests in Healthcare Cybersecurity.** Cyber attacks on the healthcare system disrupt patient care and put patient safety at risk, and the healthcare system continues to be a target for cyber criminals. From 2018 to 2022, there was a 95-percent increase in large data breaches reported to HHS, including ransomware attacks. In line with the *National Cybersecurity Strategy*, which emphasizes a whole-of-Nation approach to addressing the ongoing cyber threat, the Budget invests in protecting the Nation's healthcare system from cyber threats. The Budget includes funding for the Administration for Strategic Preparedness and Response to coordinate HHS's cybersecurity efforts. The Budget provides \$800 million to help high-need, low-resourced hospitals cover the upfront costs associated with implementing essential

cybersecurity practices, and \$500 million for an incentive program to encourage all hospitals to invest in advanced cybersecurity practices. The Budget also provides \$141 million to continue strengthening HHS's ability to protect and defend HHS systems and information while supporting the Healthcare and Public Health Sector, including \$11 million to expand and enhance HHS's capacity to protect the privacy and security of health information through Health Insurance Portability and Accountability Act of 1996 modernization. The Budget also invests in HHS's role in promoting the use of artificial intelligence in healthcare and public health while protecting against its risks.

- **Modernizes Organ Donor Systems and Networks.** In 2023, the President signed into law the Securing the U.S. Organ Procurement and Transplantation Network Act to overhaul and break up the monopoly that controlled the organ transplant system for decades. This law will help modernize the organ transplant system used to allocate and distribute donor organs to individuals waiting for transplants. The Budget includes critical funding that would support lifesaving reforms to the system to make it more agile, user friendly, accountable, and equitable, resulting in increased access to donor organs. The Budget also helps to facilitate and encourage transplants for Medicare beneficiaries through expanded support for living organ donors.